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# FIRE INSURANCE LAWS,<sup>c†</sup> TAXES AND FEES

CONTAINING A DIGEST OF THE STATUTORY REQUIREMENTS IN THE  
UNITED STATES AND CANADA RELATING TO FIRE INSUR-  
ANCE COMPANIES AND AGENTS, WITH MANY  
QUOTATIONS FROM THE STATUTES

ALSO A COMPILATION OF  
COUNTY AND MUNICIPAL TAXES AND FEES

TWENTIETH ANNUAL EDITION

REVISED TO SEPTEMBER 1, 1920

Price \$10.00 per copy

1920

THE SPECTATOR COMPANY

CHICAGO OFFICE  
INSURANCE EXCHANGE

135 WILLIAM STREET.  
NEW YORK

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New York.

# PREFACE.

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Company managers, general and special agents and accountants naturally wish to be able to learn the essential features of the laws of the various States and Territories relating to fire insurance companies and agents, and the conditions under which they may transact business, without being obliged to delve into the voluminous, scattered and often unindexed laws of the respective States. To help them to obtain such information in the most compact, readily available and convenient form possible, the publishers undertook, in 1901, a systematic compilation of the statutes relating to some thirty topics of general interest, copiously indexed, and issued the result under the title of "Fire Insurance Laws, Taxes and Fees." That the work met a recognized need was manifest, and the subsequent annual volumes, improvements on the first, have been accorded a cordial welcome by the underwriting fraternity. Following the adjournment of the numerous State and Territorial Legislatures, we present the twentieth annual volume and trust that it will be even more serviceable to fire underwriters than its predecessors.

The "Calendar," which now follows the other data for each State, will be of value in showing at a glance the dates of various legal requirements.

Notations in connection with most of the States indicate which of the provisions relate also to marine insurance companies and agents.

The successive annual volumes have grown in size, because of the considerable number of new laws and amendments enacted from year to year by the legislative bodies of the various States and Territories, as well as the insertion of additional information. The volume of legislation has been exceptionally heavy in recent years, so that this book is now materially larger than in earlier editions.

The statutory requirements vary so much in the various States that, if the underwriter can have their tenor conveyed to his mind in a few words, there is a saving of time and trouble. There are many of the statutes which are so free from the possibility of misconstruction that they can be digested with

8/13/46 Univ. of Minn.

little likelihood of deviation from accuracy. These have been briefed down in this book to their lowest terms. There are other provisions which present more difficulty, and perhaps may carry different meanings to different minds. These it has been our purpose to quote *in extenso*. Thus the general scope of the work is such as to embrace the advantages of both a digest and a reproduction of the statutes.

A feature of this work which is unique is the codification of the system of county and municipal taxes and fees. This, we believe, has never been undertaken for the whole country in any other publication, and the information given therein is apt to be referred to every day. It has been obtained from thoroughly trustworthy sources, and every effort has been made to insure accuracy. Cities not imposing any tax or fee are, of course, omitted.

It should be said that the plan of this book does not necessarily include mention of every subject touched upon in the statutes pertaining to fire insurance. There are points which are so axiomatic or so unimportant that they are not deemed essential to the substantial completeness of a work of this character, as, for instance, the fact that companies must secure licenses before beginning operations in a State, and that real estate is usually taxed locally.

The publishers feel entirely warranted in stating that no other book ever offered to fire underwriters contains so much information of the nature above described, or gives the desired data so fully, where fullness is expedient, or in such condensed form, where condensation is permissible, as does this one. It can also be justly claimed for this publication that, owing to the systematic arrangement of its contents and its elaborate series of subject indexes, the facts presented in it can be most quickly and readily located.

In conclusion, we beg to assure our subscribers that we shall continue to endeavor to make this publication accurate and increasingly valuable, and will gladly welcome suggestions which will add to its future usefulness; also, to express our thanks to those who have so kindly assisted us by furnishing data from their private files.

THE SPECTATOR COMPANY.

NEW YORK, 1920.

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\* License required for each member of firm.

† Agents for domestic companies 50 cents.

c Also tax of \$10 for each county operated in.

b Solicitor, \$5.

c Agents for domestic companies, 25 cents.

d Also \$20 tax in lieu of privilege taxes.

e Agents for domestic companies, none.

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\* See also Provincial Requirements.  
† Within 60 days from Jan. 1.  
a Time may be extended.  
b Mutual companies in February.  
d Domestic companies in January.  
e Mutual companies in January.  
f Domestic companies must also file corporation reports.

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Maine.....	\$200,000	210	‡ \$50,000 additional for each additional		
Maryland.....	100,000	218	class of business.		
Massachusetts.....	\$200,000	233	\$ Domestic companies, \$100,000.		
Michigan.....	100,000	247	a Marine companies, \$300,000.		
Minnesota.....	\$100,000	258	b \$200,000 for fire and inland marine;		
Mississippi.....	\$100,000	271	\$400,000 for fire, inland and ocean marine.		
Missouri.....	200,000	286	c Domestic companies, limiting operations,		
Montana.....	\$200,000	301	\$50,000.		
Nebraska.....	100,000	309	d Both fire and marine, \$300,000.		
Nevada.....	\$200,000	320	e Domestic companies may have less.		
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Nevada.....	200,000	320	‡ Or \$50,000 in Wisconsin.		
New Hampshire.....	200,000	327	§ Marine companies, \$300,000.		
New Jersey.....	200,000	336	a Surety bond.		
New Mexico.....	200,000	347	b 5% of capital. Not more than \$50,000		
New York.....	200,000	356	nor less than \$10,000.		
North Carolina.....	100,000	384	c See also Provincial Requirements.		
North Dakota.....		397	d Fire, inland and ocean marine, \$400,000.		
Ohio.....	*100,000	406	e In Georgia.		
Oklahoma.....	200,000	418			

## DEPOSITS REQUIRED OF OTHER STATE COMPANIES.†

	Amount.	PAGE		PAGE
Arkansas.....	§\$20,000	47	Texas.....	d 494
California.....	\$20,000	55	Virginia.....	* 519
Canada.....	‡50,000	63	Washington.....	530
Canal Zone.....	10,000	88	* 5% of capital. Not more than \$50,000,	
Florida.....	‡20,000	115	nor less than \$10,000.	
Georgia.....	10,000	123	† See "Reciprocal Law."	
Hawaii.....	Conditional	134	‡ Securities or surety bond.	
Idaho.....	‡100,000	139	§ Surety bond.	
New Mexico.....	10,000	347	a Individual or surety bond.	
North Carolina.....	‡10,000-25,000	384	d 25% of premium income in State; not	
Oregon.....	25,000	428	more than \$50,000 nor less than \$10,000.	
Porto Rico.....	100,000	453	e In one of the United States.	
South Carolina.....	‡10,000	465	f See also Provincial Requirements	

## DOMESTIC COMPANIES.

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Arizona.....	41	Michigan.....	247
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Canada (see also Provincial Require- ments).....	63	Mississippi.....	271
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South Dakota.....	475	Washington.....	530
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Hawaii.....	134	Oregon.....	429
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Illinois.....	145	Philippine Islands.....	448
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## FIRE DEPARTMENT TAX.

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Alabama.....	$\frac{1}{2}$	26	South Carolina.....	1	466
Illinois.....	2	146	South Dakota.....	$\frac{1}{2}$	476
Iowa.....	..	169	Virginia.....	1	520
Kansas.....	2	175	West Virginia.....	..	538
Louisiana.....	*1	198	Wisconsin.....	2	549
Minnesota.....	†	261			
Nebraska.....	..	311			
New Jersey.....	† $\frac{1}{2}$	338			
New Mexico.....	..	349			
New York..... (Foreign Cos.)	2	360			
North Carolina.....	$\frac{1}{2}$	385			
North Dakota.....	† $\frac{1}{2}$	399			
Oklahoma.....	†	418			
Pennsylvania.....	2	437			

\* In cities having fire departments of prescribed efficiency.  
† In cities of less than 25,000 not more than \$5.  
‡ Included in State tax.  
§ In cities of 100,000 or more population.

## FIRE MARSHAL. (List on page 539.)

	Tax Per Cent.	PAGE.		Tax Per Cent.	PAGE.
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Georgia.....	1/10	124	North Dakota.....	..	399
Hawaii.....	..	134	Ohio.....	1/2	407
Illinois.....	1/4	146	Oklahoma.....	1/4	419
Indiana.....	$\frac{1}{2}$	156	Oregon.....	1/4	429
Iowa.....	..	169	Pennsylvania.....	..	438
Kansas.....	$\frac{1}{2}$	176	Rhode Island.....	..	460
Kentucky.....	1/3	185	South Carolina.....	1/10	466
Louisiana.....	1/2	198	South Dakota.....	1/2	476
Maine.....	..	212	Tennessee.....	1/5	487
Maryland.....	..	222	Texas.....	..	496
Massachusetts.....	..	235	Vermont.....	..	514
Michigan.....	..	248	Virginia.....	..	520
Minnesota.....	3/8	261	West Virginia.....	1/2	538
			Wisconsin.....	3/8	550

## FOREIGN COMPANIES' HOME OFFICE STATEMENTS.

	Date Required.	PAGE.		Date Required.	PAGE.
Arkansas.....	July 1	49	New Jersey.....	*	339
California.....	July 1	57	New York.....	June 15	360
Canada.....	June 30	64	North Dakota.....	Dec. 1	399
Connecticut.....	*	99	Ohio.....	Jan. 31	408
Hawaii.....	..	134	Oklahoma.....	Jan. 31	419
Illinois.....	Jan. 31	146	South Dakota.....	April 30	476
Iowa.....	*	169	West Virginia.....	..	538
Kentucky.....	..	185	Wisconsin.....	..	550
Maryland.....	..	222			
Missouri.....	July 1	289			
Nevada.....	..	321			

\* On admission. † Or within 60 days after annual meeting.

## IMPAIRMENT.

	Impairment Permitted, Per Cent.	PAGE.		Impairment Permitted, Per Cent.	PAGE.
Alabama.....	Dom. Cos. 20	26	Iowa.....	25	169
Arizona.....	20	42	Kansas.....	20	176
Arkansas.....	20	49	Kentucky.....	20	185
California.....	25	57	Louisiana.....	25	198
Canada (See also Prov. Requirements).....	..	64	Maine.....	25	213
Colorado.....	None	92	Maryland.....	25	222
Connecticut.....	25	100	Massachusetts.....	25	235
Delaware.....	20	106	Michigan.....	..	248
Dist. of Columbia.....	25	112	Minnesota.....	25	262
Florida.....	None	116	Missouri.....	25	289
Georgia.....	None	125	Mississippi.....	None	272
Hawaii.....	25	135	Montana.....	None	302
Idaho.....	25	140	Nebraska.....	None	311
Illinois.....	*20	147	Nevada.....	None	321
			New Hampshire.....	Discretionary	328

## IMPAIRMENT—(Continued).

	Impairment Permitted, Per Cent.	PAGE.		Impairment Permitted, Per Cent.	PAGE.
New Jersey.....	Discretionary	339	Tennessee.....	Dom. Cos. 20	487
New Mexico.....	None	350	Texas.....	20	497
New York.....	*None	361	Utah.....	None	508
North Carolina.....	25	386	Vermont.....	20	514
North Dakota.....	5	399	Virginia.....	Discretionary	521
Ohio.....	20	408	Washington.....	None	531
Oklahoma.....	None	420	West Virginia.....	Discretionary	537
Oregon.....	None	430	Wisconsin.....	*20	550
Pennsylvania.....	20	438	Wyoming.....	20	560
Rhode Island.....	Discretionary	460			
South Carolina.....	Discretionary	466			
South Dakota.....	20	476			

\* Domestic companies, 25%.

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Dist. of Columbia.....	112	New York.....	361
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Illinois.....	148	Oregon.....	430
Indiana.....	156	Pennsylvania.....	438
Iowa.....	169	Philippine Islands.....	449
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Louisiana.....	199	Tennessee.....	487
Maine.....	213	Texas.....	497
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	Annual Fee.	PAGE.		Annual Fee.	PAGE.
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Alaska.....	\$25	37	North Carolina.....	20	387
Arizona.....	..	42	Ohio.....	10	409
Arkansas.....	..	49	Pennsylvania.....	100	439
California.....	a	57	Philippine Islands.....	...	450
Canada (see Prov. Req.)..	...	66	Rhode Island.....	†10	460
Colorado.....	10	92	South Carolina.....	25	467
Connecticut.....	20	100	Tennessee.....	†	487
Dist. of Columbia.....	50	112	Texas.....	25	497
Hawaii.....	25	136	Vermont.....	5	515
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Illinois.....	200	149	Washington.....	100	531
Iowa.....	..	169	Washington.....	...	531
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Louisiana.....	...	200	Wisconsin.....	\$15	552
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Nevada.....	15 qrlly.	322			
New Hampshire.....	20	328			
New Jersey.....	*	340			

\* Ordinary broker's license, \$10; to deal with unauthorized companies, \$20.

† Free to honorably discharged soldiers or sailors of the Civil War.

‡ Same fees as required of authorized companies.

§ Or \$50 in cities having more than 100,000 inhabitants.

¶ For one particular county, \$26.

a Ordinary broker's license, \$10; to deal with unauthorized companies, \$25.

## LIMIT ON A SINGLE RISK.

	Per Cent. of Capital.	PAGE.		Per Cent. of Capital.	PAGE.
California.....	10	58	Oregon.....	...	430
Canada ( Quebec).....	...	81	Pennsylvania.....	g	440
Colorado.....	†10	92	Philippine Islands.....	10	450
Connecticut.....	†10	101	Porto Rico.....	†10	455
Hawaii.....	†10	136	Rhode Island.....	10	460
Idaho.....	...	141	South Dakota.....	10	478
Indiana.....	10	157	Texas.....	§10	497
Iowa.....	10	169	Utah.....	†10	509
Kansas.....	†10	177	Virginia.....	†10	521
Kentucky.....	†10	187	Washington.....	§10	532
Louisiana.....	†10	200	West Virginia.....	...	539
Maine.....	§10	214	Wisconsin.....	§10	552
Massachusetts.....	§10	237	Wyoming.....	10	561
Michigan.....	†§10	251	* Mutual companies, 10% of premium notes.		
Minnesota.....	§10	264	† Of capital and surplus.		
Mississippi.....	§10	274	‡ For foreign mutual 1/10 of net assets.		
Montana.....	10	303	§ Except on baled cotton and grain.		
Nebraska.....	†10	313	¶ Mutual companies, 5% of cash assets.		
New Hampshire.....	†	329	a Domestic companies.		
New Jersey.....	§10	341	b Foreign companies, 10% of deposit		
New Mexico.....	†10	350	capital (and surplus, in Michigan).		
New York.....	†10	363	c Of net assets.		
North Carolina.....	§10	388	f In congested districts.		
North Dakota.....	10	400	g 1/4 of net assets for Lloyds.		
Oklahoma.....	†10	421			

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Indiana.....	157	New Mexico.....	350	Virginia.....	521
Kansas.....	177	New York.....	363	Washington.....	532
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Montana.....	9.00	304	Utah.....	8.00	509
Nebraska.....	*	314	Wyoming.....	12.00	562
Nevada.....	20.00	323	* No fixed charge. † Estimated.		
New Jersey.....	.....	342	† Authorized rate for legal notices.		
New Mexico.....	†	351	‡ \$1 per sq. inch.		
North Carolina.....	9.00	390	§ In each judicial district wherein operating.		

## RATE SCHEDULES TO BE FILED.

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\*Policies of reinsurance in licensed companies need not be signed by resident agents.

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Idaho.....	d	142	Wisconsin.....	a	555
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Indiana.....		161			
Iowa.....	†	172	* 50% annual premiums; pro rata longer		
Kansas.....	d	179	terms; 100% marine premiums.		
Kentucky.....	*	189	† 40% of all premiums in force.		
Louisiana.....	*	202	‡ Must equal 40% of year's premium receipts		
Maine.....	k	215	§ 50% of all premiums in force.		
Maryland.....	*	228	No requirement.		
Massachusetts.....	a	241	¶ Pro rata of all premiums in force.		
Michigan.....	*†	255	a 50% of fire premiums; 100% of marine.		
Minnesota.....	*	267	b Actual unearned portion of premiums.		
Mississippi.....	b	277	c "Amount required to safely reinsure all		
Missouri.....	*	291	outstanding risks."		
Montana.....	*	306	d 50% on fire risks less than one year to		
Nebraska.....	†	315	run and pro rata on longer terms.		
Nevada.....	*	324	e 50% annual fire premiums; pro rata		
New Hampshire.....	*	332	longer terms; 50% annual marine pre-		
New Jersey.....	*	345	miums; 100% other marine premiums.		
New Mexico.....	*	352	f 80 per cent pro rata.		
New York.....	*	378	g Must maintain a reinsurance reserve fund		
North Carolina.....	b	393	h See law.		
North Dakota.....	†	402	k 50% or actual unearned (fire); 50%		
Ohio.....	*	414	yearly marine, or more than one passage,		
Oklahoma.....	*	423	100% other marine.		
Oregon.....	k	433			

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Florida.....	117	Ohio.....	414
Georgia.....	126	Oklahoma.....	423
Hawaii.....	138	Oregon.....	433
Idaho.....	142	Pennsylvania.....	444
Illinois.....	152	Porto Rico.....	455
Indiana.....	161	Rhode Island.....	461
Iowa.....	172	South Carolina.....	468
Kansas.....	179	South Dakota.....	481
Kentucky.....	189	Tennessee.....	491
Louisiana.....	202	Texas.....	500
Maine.....	215	Utah.....	511
Maryland.....	228	Vermont.....	517
Massachusetts.....	241	Virginia.....	524
Michigan.....	255	Washington.....	534
Minnesota.....	268	West Virginia.....	540
Mississippi.....	277	Wisconsin.....	555
Missouri.....	291	Wyoming.....	563

## SEMI-ANNUAL STATEMENTS.

	Date Required.	PAGE.		Date Required.	PAGE.
Georgia*	Aug. 30	126	Porto Rico		454
New York†		378	* To Governor. See "Tax Statements."		
Pennsylvania		444	† Quarterly.		

## STANDARD POLICY.

	Basis Form.	PAGE.		Basis Form.	PAGE.
Arizona	New York (old)	44	N. Carolina	Nat. Conv. of Ins. Comrs	394
California	California	60	N. Dakota	New York (old)	402
Connecticut	Connecticut	102	Oklahoma	New York (old)	423
Georgia	New York (new)	126	Oregon	New York (new)	433
Hawaii	New York (old)	138	Pennsylvania	*Nat. C. of Ins. Comrs	445
Idaho	New York (old)	143	Porto Rico	May be prescribed	455
Iowa	Iowa	172	Rhode Island	Rhode Island	462
Louisiana	New York (new)	178	S. Carolina	Nat. Conv. of Ins. Comrs	469
Maine	Maine	215	S. Dakota	New York (old)	481
Massachusetts	Massachusetts	243	Texas	New York (old)	501
Michigan	Michigan	255	Vermont	New York (new)	517
Minnesota	Massachusetts	268	Washington	New York (old)	535
Missouri		292	W. Virginia	New York (new)	540
Nebraska	New York (new)	315	Wisconsin	Nat. Con. of Ins. Comrs	556
N. Hampshire	Massachusetts	332	Wyoming		563
New Jersey	New York (old)	345			
New York	New York (new)	382			

\*With slight variations.

## TAXES.

	Per Cent. of Gross Premiums.	PAGE.		Per Cent. of Gross Premiums.	PAGE.
Alabama	11 1/2	29	Rhode Island	ss 1/2	462
Alaska	1	38	South Carolina	*bbq2	469
Arizona	c2	44	South Dakota	qc2 1/2	481
Arkansas	cr 1/2	52	Tennessee	q12 1/2	491
California	bq2	60	Texas	ddbb 1/2 6/10	502
Canada (See Provinces)	e	67	United States	a10	571
Canal Zone	1 1/2	88	Utah	c1 1/2	511
Colorado	*2	97	Vermont	vr *2	517
Connecticut	s2	102	Virginia	v 1/2 ccr2 1/2	524
Delaware	x1 1/2	108	Washington	bb 1/2 1/2	535
Dist. of Columbia	*1 1/2	112	West Virginia	szq2	540
Florida	2	118	Wisconsin	x2 1/2	556
Georgia	1	126	Wyoming	2 1/2	563
Hawaii	1/2	138			
Idaho	1/2	143	* Net.		
Illinois	q1 recip.	152	† Domestic companies 1%.		
Indiana	qf3	161	† Foreign companies 4%.		
Iowa	xxq2 1/2	172	†† First year, initial payment \$500. Any		
Kansas	q12	180	excess over tax refunded at end of year.		
Kentucky	qdd *2	189	¶ Less return premiums, cancellations and		
Louisiana	qh1 1/2	205	reinsurances in authorized companies.		
Maine	11 1/2	215	a New Jersey companies taxed locally.		
Maryland	12	229	aa On net income, also taxes on capital		
Massachusetts	*2	243	stock, excess profits, undistributed profit, and		
Michigan	1/3	255	premiums.		
Minnesota	sq2	268	b Less property tax.		
Mississippi	gqy2 1/2	279	bb May be reduced by investments in State.		
Missouri	1/2	292	c In lieu of all other taxes.		
Montana	gnyy	306	cc Also not over 1/10% expense Ins. Bureau.		
Nebraska	qu 1/2 Neb.	315	d Losses and commissions deducted.		
Nevada	None	325	dd Also 1/2% for expenses of State Insur-		
New Hampshire	12	332	ance Board.		
New Jersey	pma2	345	e Companies assessed for expenses. See		
New Mexico	1/2	352	text for Provincial requirements. Also war		
New York	*1	379	tax of 25% of net profit over 7%.		
North Carolina	bbq2 1/2	394	ee If premiums do not exceed \$100,000 1 1/2%.		
North Dakota	12 1/2	403	f Less losses paid.		
Ohio	x2 1/2	415	g Less return premiums.		
Oklahoma	c *q2	424	h Graded averaging about 1 1/2% plus		
Oregon	1/2	434	two-fifths of 1% additional.		
Pennsylvania	*1/2	444	i Also tax on capital.		
Philippine Islands	1/1	450	j Domestic companies 8 mills on each		
Porto Rico	w3	455	dollar of gross premiums.		

## TAXES—(Continued.)

*k* Foreign companies  $\frac{1}{2}\%$ ; marine premiums are taxed 2% and mutual companies 1%.

*l*  $\frac{1}{3}$  Net receipts at personal property rate.

*m* Less fire department taxes.

*n* Premiums \$5000 or less \$125; over \$5000 \$20 per \$1000.

*o* One-quarter mill on each dollar of risks written.

*p* Including reinsurance premiums received less return premiums and reinsurance premiums paid.

*q* Also fire marshal tax.

*r* Also franchise taxes.

*s* Domestic companies  $\frac{1}{8}\%$  on capital Other State companies reciprocal.

*ss* Domestic companies pay on all premiums not taxed elsewhere.

*t* Mutual companies 1% (see text).

*u* Gross premiums at property rate.

*v* Reinsurance may be deducted.

*w* Also 15 cents per \$1000 of capitalization. Also stamp tax  $\frac{1}{2}\%$  on premiums.

*x* Gross less return premiums paid and reinsurance premiums received.

*xx* Domestic companies  $1\frac{1}{8}\%$  gross, less return premiums and losses paid.

*y* Also license fee \$100.

*yy* Also income tax 1%.

*z* Gross direct premiums, less return premiums thereon.

*zz* Also net income tax  $\frac{1}{2}\%$ .

## TAX STATEMENTS.†

	Date Required.	PAGE.		Date Required.	PAGE
Alabama.....	Mar. 1	30	North Dakota.....	Mar. 1	403
Arizona.....	Mar. 1	45	Ohio.....	Jan. 31	415
Arkansas.....	‡Mar. 1	52	Oklahoma.....	Feb. 28	424
California.....	‡Mar. 1	60	Oregon.....	Mar. 1	434
Canada.....	*None.	68	Pennsylvania.....	‡Mar. 1	445
Canal Zone.....	Feb. 28	88	Philippine Islands.....	Apr. 1	452
Colorado.....	Mar. 1	97	Porto Rico.....	Jan. 1-July 1	456
Connecticut.....	‡Jan. 31	103	Rhode Island.....	‡Jan. 31	462
Delaware.....	Feb. 28	109	South Carolina... June 30-Dec. 31		470
Dist. of Columbia.....	Jan. 31	112	South Dakota.....	Mar. 1	482
Florida.....	Jan. 31	118	Tennessee.....	Jan. 31-July 31	492
Georgia.....	‡July 1	127	Texas.....	‡Mar. 1	503
Hawaii.....	April 15	138	United States.....	‡Mar. 1	571
Idaho.....	Mar. 1	143	Utah.....	Feb. 28	512
Illinois.....	May 31	153	Vermont.....	Mar. 1	518
Indiana.....	Jan. 31-July 31	162	Virginia.....	Mar. 1	526
Iowa.....	Jan. 31	173	Washington.....	Feb. 15	535
Kansas.....	Jan. 15	180	West Virginia.....	Jan. 31	541
Kentucky.....	Jan. 30	190	Wisconsin.....	Jan. 31	557
Louisiana.....	Feb. 28	206	Wyoming.....	‡Mar. 1	563
Maine.....	Jan. 31	216	* See text for Provincial Requirements.		
Maryland.....	‡	229	† See text for fire dept. tax statements, etc.		
Massachusetts.....	Jan. 31	244	‡ Domestic companies Jan. 31 and July 31.		
Michigan.....	Feb. 15	256	‡ Within 60 days after Jan. 1.		
Minnesota.....	Feb. 1	268	‡ Domestic companies Oct. 15.		
Mississippi.....	Jan. 30-July 30	280	‡ Companies pay tax on premiums received less reinsurances in authorized companies and return premiums.		
Missouri.....	Mar. 1	293	‡ Copies of annual statement filed with assessors.		
Montana.....	‡April 1	306	‡ Within 90 days after Jan. 1.		
Nebraska.....	April 1	316	‡ Within 60 days after May 1.		
Nevada.....	‡	325	‡ At time of obtaining license.		
New Hampshire.....	Feb. 1	333	‡ Also monthly premium tax statements.		
New Jersey.....	Feb. 15	346			
New Mexico.....	Feb. 1	352			
New York.....	Mar. 1	381			
North Carolina... Jan. 30-July 30		394			

## VALUED POLICY.

Arkansas.....	53	Kansas.....	180	New Hampshire.....	333	South Dakota... 482
California.....	60	Kentucky.....	191	North Dakota... 403	Tennessee.....	492
Delaware.....	109	Louisiana.....	206	Ohio.....	415	Texas..... 503
Florida.....	118	Minnesota.....	268	Oregon.....	434	Washington... 535
Georgia.....	127	Mississippi.....	280	Philippine Isl'ds. 452	West Virginia... 541	
Idaho.....	143	Missouri.....	293	South Carolina.. 470	Wisconsin..... 557	
Iowa.....	173	Nebraska.....	316			

# STATE OFFICIALS HAVING AUTHORITY IN INSURANCE MATTERS

STATE	NAME	ADDRESS	TITLE	Next Session of Legislature
Alabama	A. W. Briscoe	Montgomery	Commissioner of Insurance	Jan., 1923
Alaska	W. G. Smith	Juneau	Territorial Treasurer	Mar., 1921
Arizona	J. C. Haldiman	Phoenix	Ch. Cl. Ins. Dt. Ariz. Cor. Com.	Jan., 1921
Arkansas	Bruce T. Bullion	Little Rock	Insurance Commissioner	Jan., 1921
California	Alexander McCabe	San Francisco	Insurance Commissioner	Jan., 1921
Canal Zone	C. A. McIlvaine	Balboa Heights	Executive Secretary	
Colorado	Earl Wilson	Denver	Commissioner of Insurance	Jan., 1921
Connecticut	Burton Mansfield	Hartford	Insurance Commissioner	Jan., 1921
Delaware	Thomas R. Wilson	Dover	Insurance Commissioner	Jan., 1921
District of Columbia	Lewis A. Griffith	Washington	Insurance Superintendent	Dec., 1920
Florida	John C. Luning	Tallahassee	State Treasurer	Apr., 1921
Georgia	W. A. Wright	Atlanta	Insurance Commissioner	June, 1921
Hawaii	D. E. Metzger	Honolulu	Insurance Commissioner	Feb., 1921
Idaho	Howard J. Brace	Boise City	Dir. of Ins. Dept. of Com.	Jan., 1921
Illinois	Fred W. Potter	Springfield	Superintendent of Insurance	Jan., 1921
Indiana	Miles Schaeffer	Indianapolis	Auditor of State	Jan., 1921
Iowa	Arthur C. Savage	Des Moines	Commissioner of Insurance	Jan., 1921
Kansas	Frank Travis	Topeka	Superintendent of Insurance	Jan., 1921
Kentucky	Jas. F. Ramey	Frankfort	Insurance Commissioner	Jan., 1922
Louisiana	James J. Bailey	Baton Rouge	Secretary of State	May, 1922
Maine	G. Waldon Smith	Augusta	Insurance Commissioner	Jan., 1921
Maryland	Thos. J. Keating	Baltimore	Insurance Commissioner	Jan., 1922
Massachusetts	Clarence W. Hobbs	Boston	Commissioner of Insurance	Jan., 1921
Michigan	F. H. Ellsworth	Lansing	Commissioner of Insurance	Jan., 1921
Minnesota	Gust Lindquist	St. Paul	Commissioner of Insurance	Jan., 1921
Mississippi	T. M. Henry	Jackson	Insurance Commissioner	Jan., 1922
Missouri	A. L. Harty	Jefferson City	Superintendent of Insurance	Jan., 1921
Montana	George P. Porter	Helena	Commissioner of Insurance	Jan., 1921
Nebraska	W. B. Young	Lincoln	Chief of Bureau of Ins.	Jan., 1921
Nevada	George A. Cole	Carson City	State Controller	Jan., 1921
New Hampshire	John J. Donahue	Concord	Insurance Commissioner	Jan., 1921
New Jersey	Frank H. Smith	Trenton	Insurance Commissioner	Jan., 1921
New Mexico	Remigio Mirabel	Santa Fe	Superintendent of Insurance	Jan., 1921
New York	Jesse S. Phillips	Albany	Superintendent of Insurance	Jan., 1921
North Carolina	James R. Young	Raleigh	Insurance Commissioner	Jan., 1921
North Dakota	S. A. Olsnesa	Bismarck	Commissioner of Insurance	Jan., 1921
Ohio	R. T. Crew	Columbus	Superintendent of Insurance	Jan., 1921
Oklahoma	A. L. Welch	Oklahoma City	Insurance Commissioner	Jan., 1921
Oregon	A. C. Barber	Salem	Insurance Commissioner	Jan., 1921
Pennsylvania	T. B. Donakson	Harrisburg	Insurance Commissioner	Jan., 1921
Philippine Islands	A. P. Fitzsimmons	Manila	Insurance Commissioner	
Porto Rico	J. E. Benedicto	San Juan	Treasurer	Feb., 1921
Rhode Island	Phillip H. Wilbour	Providence	Insurance Commissioner	Jan., 1921
South Carolina	W. A. McSwain	Columbia	Insurance Commissioner	Jan., 1921
South Dakota	W. N. Van Camp	Pierre	Insurance Commissioner	Jan., 1921
Tennessee	Thos. E. Miles	Nashville	Commissioner of Insurance	Jan., 1921
Texas	Geo. W. Briggs	Austin	Com'r. of Ins. and Banking	Jan., 1921
Utah	Rulon S. Wells	Salt Lake City	Insurance Commissioner	Jan., 1921
Vermont	Joseph G. Brown	Montpelier	Insurance Commissioner	Jan., 1921
Virgin Islands	Jos. W. Omau	St. Thomas	Governor	
Virginia	Joseph Button	Richmond	Commissioner of Insurance	Jan., 1922
Washington	H. O. Fishback	Olympia	Insurance Commissioner	Jan., 1921
West Virginia	John S. Darst	Charleston	State Auditor	Jan., 1921
Wisconsin	Platt Whitman	Madison	Commissioner of Insurance	Jan., 1921
Wyoming	Donald M. Forsyth	Cheyenne	Insurance Commissioner	Jan., 1921

## CANADA

Dominion of Canada	Geo. D. Finlayson	Ottawa	Superintendent of Insurance	
Alberta	W. V. Newson	Edmonton	Superintendent of Insurance	
British Columbia	H. G. Garrett	Victoria	Superintendent of Insurance	
Manitoba	Chas. Heath	Winnipeg	Superintendent of Insurance	
New Brunswick	Robert Bailey	Fredericton	Deputy Provincial Treas.	
Newfoundland	Geo. Bursell	St. Johns	Accountant, Finance Dept.	
Nova Scotia	Arthur S. Barnstead	Halifax	Deputy Provincial Secretary	
Ontario	V. Evan Gray	Toronto	Superintendent of Insurance	
Prince Edward Island	A. Newbery	Charlottetown	Assistant Provincial Treas.	
Quebec	F. L. Monck	Quebec	Superintendent of Insurance	
Saskatchewan	Arthur E. Fisher	Regina	Superintendent of Insurance	

# ALABAMA.

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## STATE REQUIREMENTS.

**AGENTS DEFINED**—Sec. 7189, Code, 1907 (as amended in 1909). "Any person who solicits insurance on behalf of any insurance company, or takes or transmits, other than for himself, any application for insurance, or any policy for insurance, to or from such company, or in any way gives notice that he will receive or transmit the same, or receives or delivers a policy of insurance of any such company, or examines or inspects a risk, or receives, collects or transmits any premium of insurance or makes or forwards any diagram of any building or buildings (except as a bona fide draughtsman), or countersigns any policy of insurance, or does or performs any other act or thing in the making or consummating of any contract of insurance with or for any insurance company other than for himself, or examines or adjusts, or aids in adjusting any loss for or on behalf of any such insurance company whether any such acts shall be done at the request or instance or by the employment of any insurance company, or of or by any other person (except those acting as attorneys at law), is deemed an insurance agent. For the doing of any of the acts aforesaid until such company shall have complied with the laws of the State, and received the proper license or certificate of authority from the Insurance Commissioner authorizing it to do business in this State, and until such person shall have received the proper certificate from the Insurance Commissioner authorizing such person to perform any of the acts of an agent for any such company, such person shall be guilty of a misdemeanor, and upon conviction shall be fined not less than one hundred dollars nor more than five hundred dollars, or may be imprisoned in the county jail not more than thirty days, or both, at the discretion of the court."

Sec. 7715, Code of 1907—"Any person who acts as agent of any unlicensed foreign insurance company, must, on conviction, be fined in a sum equal to the State, county and municipal tax required to be paid by such company for license and five hundred dollars in addition thereto; and, on a second or other conviction, must be fined one thousand dollars, and may be imprisoned in the county jail, or sentenced to hard labor for the county, for not more than six months."

**AGENTS' LICENSES**—Schedule 59. Gen. Rev. Act, 1919. \* \*. "Each foreign insurance company desiring to carry on a business in this State, and each domestic insurance company, shall at the time of filing its annual statement procure from the Insurance Commissioner a certificate or license for each agent or other representative of such company soliciting business in this State, showing that said company is authorized to do business, and that said agent or other representative is authorized to represent such company, \* \* \* ." Persons acting as agents of unadmitted companies may be fined not less than \$100 nor more than \$500,



or imprisoned for not more than thirty days, or both. They are also held personally liable for losses under policies so written. Application for annual licenses may be filed by any officer of company, not later than March 1; no seal required. A ruling of the Department of Insurance is as follows: "It is construed by this Department that any soliciting or writing of insurance or the countersigning of any insurance policy or policies by general or special agents, managers or other special representatives of insurance companies doing business in this State, whether such general or special agents, managers or special representatives reside within or without the State, makes it necessary for any such parties to procure the same certificate of authority from this Department as is issued to local agents." Sec. 2090, Code of 1907—"When any person shall do or perform any of the acts, the doing or performing of which by him for any insurance company not organized under, or incorporated by, the laws of this State, renders him the agent of such company under the provisions of this code, such company shall be held subject to taxation for State, county and municipal purposes in this State; and such person so doing or performing any of such acts shall be personally liable for such taxes." Non-resident agents or brokers may be licensed to do business with resident agents; fees, \$10.

**ANNUAL STATEMENTS**—Must be filed on or before March 1. Penalty for failure to make and publish statement, \$250 fine and expulsion for one year; for making false statement, not less than \$500, nor more than \$1000 fine, and, if sworn to, punishment for perjury. Time for filing may be extended for good cause. This statement of compliance with law and tax statement only ones required. Classification of business not required.

**ANTI-COINSURANCE**—No requirement.

**ANTI-COMPACT**—Sec. 4594. "Every contract or policy of insurance made or issued since the 18th day of February, 1897, shall be construed to mean that, in the event of loss or damage thereunder, the assured or beneficiary thereunder, in addition to the actual loss or damage suffered, recover twenty-five per cent of the amount proven to be due the assured under such policy or policies, any stipulation or provision in such contract or policy to the contrary notwithstanding, if at the time of making such contract or policy of insurance or subsequently before the time of trial, the insurer belonged to, or was a member of, or in any way connected with any tariff association or such like thing by whatever name called or who had made any agreement or had any understanding with any other person, corporation or association engaged in the business of insurance as agent or otherwise about any particular rate of premiums which should be fixed or charged or fixed for any kind of class of insurance risk; and provided the right of action shall accrue fifteen days after the proof of loss had been filed with the home office of the insuring company, or in the hands of a duly qualified agent of the company. Provided always, however, that the penalty named herein shall not be enforced against any company which pays or

offers to pay the assured or the beneficiary the full amount of the loss ascertained and proven to be due within sixty days after proof of loss. Sec. 4595: "Upon the trial of action founded upon insurance policies, if it be shown to the reasonable satisfaction of the jury or the court trying the facts, that such insurer at the time of making of such agreement or policy of insurance subsequently before the time of trial belonged to, or was a member of, or in any way connected with any tariff association or such like thing by whatever name called, either in or out of this State or had any agreement or had any understanding either in or out of this State with any other person, corporation or association engaged in the business of insurance as agent or otherwise about any particular rate of premium which should be charged or fixed for any risk of insurance on any property located in the State of Alabama, they must, if they find for the assured or beneficiary in addition to the actual damages, assess and add twenty-five per cent of the amount proven to be due the assured under such policy or policies, and judgment shall be rendered accordingly whether claimed in the complaint or not." Sec. 4596. "This article shall be liberally construed to accomplish its object."

**ANTI-DISCRIMINATION**—Under Sec. 4579 no insurance company, nor any agent thereof, shall pay or allow, or offer to pay or allow, as inducement to insurance, any rebate of premiums payable on the policy; nor shall any particular policyholder of the same class be allowed any advantage or any valuable consideration or inducement whatever not specified in the policy. Penalty for violation, a fine of \$100 to \$500 for first offense, and not less than \$250 for each subsequent offense.

**ATTORNEY**—Insurance Commissioner must be empowered to accept service of legal process.

**CANCELLATION OF POLICY**—No law requiring notice to insured.

**CAPITAL REQUIRED**—Company must have at least \$100,000 paid-up cash capital or surplus above all liabilities of \$100,000.

**COMMISSIONS TO NON-RESIDENTS**—Not over half of agent's commission may be paid to licensed non-resident agent or broker. § 59 laws. of 1919. (Ruling, 1920: Commissions may be divided between resident agent and licensed non-resident agent or broker according to mutual agreement).

**DEPOSIT**—Foreign company must have \$200,000 invested in bonds of Alabama or of the United States, or of some State in the United States, or other good securities satisfactory to the Insurance Commissioner, on deposit in Alabama or some other State.

**DOMESTIC COMPANIES**—Must have at least \$100,000 of paid-in capital. Declaration must be filed with probate judge of the county, and the latter's certificate must be filed with the Secretary of State. Dividends can only be declared from surplus profits. Companies permitting policyholders to participate in profits may change plan to non-participation on due notice

and consent of majority of stockholders. The promoters of a new company, before selling its stock, must appoint the Insurance Commissioner attorney and secure a permit.

**EXAMINATIONS**—Examination of a company must be made if a complaint is made against it. Party making complaint must give bond to cover expenses. If complaint is proved, company must pay expenses. Refusal to permit examination shall forfeit right to do business in the State. On refusal to pay for examination, the Insurance Commissioner may bring suit. Regular examinations made whenever the Insurance Commissioner may deem it prudent for the protection of the policyholders in the State. Domestic companies must be examined at least once every two years or upon the request of five or more stockholders or persons pecuniarily interested therein, who make affidavit that they believe a company to be in unsound condition. Expenses must be paid by companies. Penalty for obstruction of examination, revocation of license for one year.

**FEES**—Sec. 4577 provides that the Insurance Commissioner shall collect from each company filing copy of charter or deed of settlement and financial statement \$101, and same amount with each annual statement thereafter, for the privilege of carrying on its business in the State of Alabama; for each certificate, or renewal thereof, to an insurance agent or solicitor, \$4, and for each official seal impressed on such certificate, \$1 (each member of a firm or corporation must have an individual certificate); for copies of any papers on file or deposited with the Insurance Commissioner, or in his office, 10 cents per hundred words. For each fire adjuster, \$5; not to be charged till adjuster has had 2 years' experience. Fee for Corporation permit to company payable Jan. 1 to Secretary of State, \$10 per annum. Fee for non-resident agent's or broker's license, \$10.

**FIRE DEPARTMENT TAX**—Cities of 10,000 or more population may levy one-half of one per cent tax on direct premiums, less return premiums (not reinsurance) for Firemen's Pension Fund. (It is understood that this tax has been paid in Birmingham only, under protest, and that the constitutionality of the law is being tested.)

**FIRE MARSHAL**—Provision is made for investigation of fires by a state Fire Marshal a tax of two-fifths of one per cent on gross premiums less return premiums. (See "Taxes.")

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—None required.

**GENERAL PENALTY**—Where no specific penalty for a violation of law is provided, a fine not exceeding \$500 may be imposed. If a fine is not paid when due, the company forfeits right to do business in the State. Agent's license may be suspended or revoked for failure to comply with law requiring true record to be kept of all policies issued or countersigned.

**IMPAIRMENT**—When capital of "foreign" company is impaired, its license

must be revoked; when capital of domestic company is impaired to the extent of twenty per cent, Commissioner must notify company to make it good within sixty days.

**INVESTMENTS PRESCRIBED**—At least \$50,000 must be invested in bonds of the United States or other good securities, to be certified as such by the Insurance Commissioner of the State in which the company is organized. Foreign companies' deposits in the United States may consist of "bonds of this State or of the the United States, or of some State in the United States, or of other good securities satisfactory to the Insurance Commissioner."

**LICENSED BROKERS**—Sec. 4581, amended by § 59 laws of 1919. "Any person who may desire to place his insurance in foreign companies not authorized to do business in this State may place such insurance, but the person placing such insurance shall at once return of his action in this behalf to the Insurance Commissioner, together with four per cent on the gross premiums received on the insurance so placed, and it shall be lawful under such contracts of insurance for any person to adjust a loss under same. Any person failing to report such insurance placed by him in unauthorized companies, and to make payment of the tax named within thirty days after date of receiving policy, shall be required to pay a tax of eight per cent. An adjuster who directly or indirectly enters into an adjustment of any loss before the tax referred to above has been paid, shall be subject to all the pains and penalties inflicted by the laws of this State upon agents for acting as agents of unlicensed insurance companies, and in addition thereto, such adjuster and insurance company, or companies, represented by him shall be forever barred from adjusting losses or doing business in this State. When a loss is adjusted under a policy so placed, the adjuster or the company shall cause to be paid to the Insurance Commissioner one-half of one per cent of the amount paid for such loss.

**LIMIT ON A SINGLE RISK**—No requirement.

**LLOYDS**—Sec. 4578. "That associations of individuals, whether organized within the State or elsewhere, formed upon the plan known as "Lloyds"—whereby each associate underwriter becomes liable for a proportionate part of the whole amount insured by policy—may be authorized to transact business of insurance, other than life, in this manner and upon the same terms and conditions as are required of and imposed upon insurance companies regularly organized. Provided, however, that all such Lloyds, whether organized within this State or elsewhere, not having an actual paid-up cash capital, shall make the same deposit as required by Sec. 4563, of foreign insurance companies incorporated or associated under the laws of any government or State other than the United States or one of the United States." (See Reciprocal Insurance.)

**MARINE INSURANCE REQUIREMENTS**—Same as for fire insurance companies.

**MISCELLANEOUS**—Companies insuring property of cotton manufacturers

exclusively are exempt from compliance with the provisions of Art. I. of the Insurance Law.

Law of August 25, 1909—"That on and after the first day of January, 1910, it shall be unlawful for any agent, or any one acting in the capacity of an agent of any fire insurance company authorized to transact business in the State of Alabama to disclose to the agent, or representative of another fire insurance company, or any one acting in the capacity of agent or representative of another fire insurance company, the rates, premiums or price at which any insurance policy has been written, without first procuring in writing the consent of the owner, or owners, of the property insured. Provided, that nothing in this act shall be construed to affect or prevent bona fide reinsurance contracts; and provided, further, that nothing in this act shall be construed to prevent members of rate making associations or similar bodies from disclosing to other members of such associations, or bodies, the rates, prices, or premiums at which insurance may be written." Penalty, fine of \$25 to \$100, or imprisonment for 30 to 90 days, or both. Consolidations of insurance companies must be approved by the Insurance Commissioner. Property owners placing insurance in unauthorized companies must pay tax of 4 per cent on gross premiums.

**MUTUAL COMPANIES**—Provision is made by a law of 1919, for the organization of mutual companies by twenty-five or more residents. The company must have twenty policies upon at least two hundred separate risks. Provision is also made for the licensing of foreign mutual companies upon submission to the insurance commission a copy of its by-laws, financial statement showing that it is licensed in its home states, has assets of \$100,000, and a surplus of \$50,000.

**PRELIMINARY DOCUMENTS**—Copy of charter must be filed with the Insurance Commissioner; also a verified statement showing the condition of the company Dec. 31 preceding. Foreign companies must file certified copy of charter, certificate of deposit and certified copy of record of appointment of trustees, and deed of trust. Certificate of compliance with laws of company's home State and certificate of deposit are required annually. Copy of charter, appointment of Insurance Commissioner as attorney to accept service, need be filed but once. Before receiving a license, each company must file an affidavit that it has not violated the resident agents' law in the proceeding year, and it accepts its obligation as a part of the consideration of its license. A company not located in Alabama must file designation of agent and place of business in that State, with Insurance Commissioner, and pay him fee of \$10.

**PUBLICATION**—Statement must be published once in a daily newspaper of general circulation in the State, and copy of paper containing statement must be filed with Insurance Commissioner within thirty days after license is issued. Charge for publication (payable direct to such paper), is usually \$10. (Not fixed by statute.)

**RECIPROCAL INSURANCE**—Regulated by a law of 1915. (See "Lloyds.")

**RECIPROCAL LAW**—Sec. 4595. "Whenever the existing or future laws of any other State of the United States shall require of the insurance companies incorporated by, or organized under, the laws of this State, or the agents thereof, any deposit of securities in such State for the protection of policyholders, or otherwise, greater than the amount required for similar purposes from similar companies of other States by the then existing laws of this State, then, in every such case, all companies of such States establishing, or having heretofore established, an agency or agencies in this State, shall be, and are hereby, required to make the same deposit for a like purpose with the Treasurer of the State, and to pay into the treasury of this State the taxes, fines, penalties, license fees, or otherwise, an amount equal to the amount of such charges and payments imposed by the law of such State upon companies of this State and the agents thereof."

**REINSURANCE**—No law forbidding reinsurance in any companies.

**REINSURANCE RESERVE**—Fifty per cent of the premiums received on policies having less than one year to run, and pro rata on those for longer periods.

**RESIDENT AGENTS**—Sec. 4589, Code of Alabama. "Fire, fire-marine, and marine insurance companies not organized under the laws of this State, but legally authorized to do business in this State through regularly commissioned agents located in this State, shall not make contracts of fire, fire-marine, and marine insurance on property herein save through agents of such companies regularly commissioned to write policies or certificates of fire, fire-marine, or marine insurance in this State; provided, that this article shall not apply to such companies covering the actual property of railroad companies doing directly a transportation business over its own line beyond the limits of this State." Penalty for violation, forfeiture of right to do business in the State for one year.

**SEMI-ANNUAL STATEMENTS**—None required.

**STANDARD POLICY**—None prescribed. Old New York Form is customarily used.

**TAXES.** Act 469, 1915, Sec. 59 (b) (amended 1919).—Each foreign fire or marine insurance company shall pay one and one-half dollars on each one hundred dollars, and every other foreign insurance company shall pay two dollars on each one hundred dollars of the gross premiums received by it for business done in this State, less return premiums, whether the same are actually received by said company in this State, or elsewhere, during the year ending the 31st day of December preceding, as a tax or license for doing business in this State during the current year; provided that any domestic insurance company shall pay only one dollar on each one hundred dollars of gross premiums, less return premiums, so received by it for business done in this State, whether the same be actually received in this State, or elsewhere, and no credit or deduction of any kind shall be allowed or made on account of the cost of reinsurance taken by such company in a company not authorized to do business in this State; provided, how-

ever, that any foreign insurance company applying for admission to transact business in Alabama, shall deposit with the commissioner the sum of five hundred dollars, and any excess over tax for first and succeeding year will be refunded. Domestic company pays tax for first year, and like amount for current year, after end of first year. The books of said company shall be accurately kept, and shall show the date or receipt and number of policy and character and amount of each premium so received by it for business done in this State, and the name and address of each person from whom such premium was received. Said books shall always be open to the inspection of the Insurance Commissioner and the State tax commission. Any insurance company failing to file such statement with the Insurance Commissioner, or wilfully failing to keep its books in substantial compliance with the provisions of this schedule, or refusing to allow an inspection of its books at any time by the Insurance Commissioner, shall be guilty of a misdemeanor, and shall pay to the State, in addition to said taxes, the sum of five hundred dollars within sixty days from the date of notice from the Insurance Commissioner of such delinquency, and shall be liable to a penalty of double the amount of such tax or license, and shall also be barred from transacting any business of insurance in this State until said taxes and penalties are fully paid. No officer or any board shall have any power or authority to remit or compromise any portion of the penalties herein prescribed. \* \* \* (For balance of section, see "Municipal Taxes and Fees.") Fire marshal tax, two-fifths of one per cent payable March 1 (amendment September, 1919.)

**TAX STATEMENTS**—Must be filed on or before March 1. Penalty for failure to make returns of premiums, \$500, and for non-payment within 60 days, revocation of license until taxes and penalties are paid.

**VALUED POLICY**—None.

#### **COUNTY TAXES AND FEES.**

None. (Act 469, laws of 1915, Sec. 59.)

#### **MUNICIPAL TAXES AND FEES**

Act No. 469, laws of 1915, Sec. 59 (b).—"\* \* \* After the year 1915, no license of privilege tax, or other charge for the privilege of doing business, shall be imposed by any municipal corporation upon any fire or marine insurance company doing business in such municipality, except upon a percentage of each one hundred dollars of gross premiums less return premiums on policies issued during the preceding year on property located in such municipality; provided that such percentage shall not exceed four dollars on each one hundred dollars and major fraction thereof of such gross premiums; and no credit or deduction of any kind shall be allowed or made on account of the cost of reinsurance taken by such company in a company not authorized to do business in this State; provided, however, that any municipality may charge a flat minimum license at the beginning of each year for new companies doing business therein

on which there shall be an adjustment at the expiration of such year upon such percentage basis as may be fixed by said municipality; and provided further, that such percentage shall not exceed four per cent of the gross premiums less return premiums collected by such companies on policies issued during the preceding year in such municipality. And in addition to said amount paid the State, there may by ordinance be levied and collected by the several cities and towns of the State from every insurance company other than fire and marine insurance companies

\* \* \*. Upon the payment or tender of the amount named in such ordinance of any city or town, any such insurance company which is authorized to do business in this State shall be permitted to do business in said city or town, through its agents, who shall not be subject to or required to pay a further privilege or occupation tax for representing such company or soliciting business for it. On the thirty-first day of December of each year, or within sixty days thereafter, each insurance company which did any business in any city or town in this State during any part of the preceding year shall, if a license or privilege tax is imposed by said city or town on such insurance companies, furnish the mayor or executive head of such city or town a statement in writing duly certified, showing the full and true amount of gross premiums received during the preceding year, as provided under this act, and shall accompany such statement with the amount of license tax due according to the foregoing schedule. Failure to furnish such statement, or to pay such sum, shall subject the company and its agents to such penalties as the ordinance of such city or town may prescribe for doing business therein without a license."

(Note: Some towns had not altered their licensing systems up to the date of publication of this book; others have apparently reported only the flat fees charged a company beginning business; hence the flat rates mentioned below.)

ABBEVILLE—For each company, \$20, payable January 1.

ALABAMA CITY—For each company, \$3 per \$100 or major fraction thereof of premiums, payable February 1. (New company, \$5, adjustable at end of year.)

ALBANY—For each company, \$2.50 per \$100, or major fraction thereof, of premiums; \$20 for first year, subject to adjustment; payable January 1; for each agent, \$25.

ALBERTVILLE—For each company, \$15, payable January 1.

ALEXANDER CITY—For each company 4 per cent on net fire premiums; \$10 initial fee; new companies \$15, adjusted at end of year on percentage basis.

ALICEVILLE—For each company, 3 per cent of premiums, payable May 1.

ANDALUSIA—For each company, 2½ per cent of net premiums, for first year \$25.50 adjusted at end of year, payable January 1.



- ANNISTON—For each company, 4 per cent of premiums; for each company beginning business, \$150, adjusted at end of year on percentage basis.
- ASHLAND—For each company, 4 per cent of premiums, payable January 1.
- ATHENS—For each company, 4 per cent of gross premiums, payable January 1.
- ATMORE—For each company, \$10 per annum, payable January 1.
- ATTALLA—For each company, 3 per cent of premiums, payable January 1.
- AUBURN—For each company, \$20, payable January 1.
- BAY MINETTE—For each company, 3 per cent of net premiums.
- BESSEMER—For each company, 4 per cent of premiums; for new companies, \$10, payable January 1.
- BIRMINGHAM—For each company, \$4 on each \$100 or major fraction thereof of premiums; for each company beginning business \$100, adjusted at end of year on percentage basis; each insurance adjuster, \$50; fee for issuing license, 50 cents; payable March 4.
- BOAZ—For each company, \$15.
- BREWTON—For each company, 4 per cent of premiums, payable February 1.
- BRANTLEY—For each company, \$10.50, payable by January 15.
- BRIDGEPORT—For each company, \$10; for each agent, \$5, payable when beginning business.
- BRUNDIDGE—For each company, \$4 per \$100 of net premiums (new company, \$10), payable January 1.
- CALERA—For each agent, \$5, payable January 1.
- CAMDEN—For each company, \$5.50, payable January of each year.
- CAMP HILL—For each company, 4 per cent of gross premiums, payable January 1; for each agent, \$5.00.
- CARBON HILL—For each company, 1½ per cent of gross premiums, payable January 1.
- CARROLLTON—For each company, \$5, payable January 1.
- CASTLEBERRY—For each company, \$5, also 50 cents fee, payable January 1.
- CENTERVILLE—For each company, \$7.50, payable January 1.
- CHILDERSBURG—For each company, \$10, payable January 1.
- CLANTON—For each company, 3 per cent on gross less return premiums, payable January 1.
- CLAYTON—For each company, \$10, payable January 1.
- CLIO—For each company, 4 per cent of premiums; for each company entering, \$20, payable January 1.
- COLLINSVILLE—For each company, \$15, payable October 1.
- COLUMBIA—For each agent or agency, \$10, payable October 1.
- COLUMBIANA—For each company, 4 per cent of premiums, payable January 1.
- CORDOVA—For each company, \$10.50, payable January 1.
- COTTONWOOD—For each agent, \$5.

- CUBA—For each company, \$5, payable January 1.
- CULLMAN—For each company, 2 per cent of net premiums, payable March 1; for each company which did no business in city in preceding year, \$10, adjusted at end of year on percentage basis. Fee, 50 cents.
- DADEVILLE—For each company, \$4.00 per \$100 premium, payable January 1.
- DECATUR—For each company, \$2.50 per \$100, or major fraction thereof, of net premiums, payable January 1' (\$20 for first year, adjusted end of year) plus \$50 issuing fee.
- DEMOPOLIS—For each company, 4 per cent of premiums, payable January 15; for each company entering, \$25.50, adjusted at end of year on percentage basis.
- DOTHAN—For each company, 4 per cent of premiums, payable January 1.
- EAST LAKE—For each company, \$10.50.
- ELBA—For each company or agent,  $3\frac{1}{2}$  per cent on premiums, payable January 1.
- ENSLEY—For each company, 2 per cent of premiums, payable January 10.
- ENTERPRISE—For each company, 4 per cent of gross premiums, payable January 1.
- EUFAULA—For each company, 4 per cent of gross premiums.
- EUTAW—For each company, \$10, or 4 per cent of gross premiums.
- EVERGREEN—For each company, 3 per cent of gross premiums, less cancellations, and fee of 50 cents; for each company, \$10.50, adjustable at end of year, payable January 1.
- FALKVILLE—For each agent, \$5, payable January 1.
- FAUNSDALE—For each company, 4 per cent of premiums, \$ 50 payable January 1.
- FAYETTE—For each company, \$1.50 per \$100 of net premiums, new company, \$5, payable January 1.
- FLORALA—For each company, 4 per cent of net premiums, payable January 1.
- FLORENCE—For each company, 4 per cent of gross premiums; for company which did no business in city in preceding year, \$50, adjustable at end of year, payable January 15.
- FOLEY—For each agent, \$5, payable annually.
- FORT DEPOSIT—For each company, \$10.50, payable January 1. (After July 1, \$5.50.)
- FORT PAYNE—For each company, \$15.50 payable January 1.
- FRUITHURST—For each agent, \$2.50, payable January 1 and July 1.
- GADSDEN—For each company, 4 per cent of premiums; new companies, \$50, payable March 4.
- GENEVA—For each company, 4 per cent of net premiums, payable January 10.
- GEORGIANA—For each company, \$15.50, payable January 1.
- GIRARD—For each company, \$10, payable by January 15.
- GOODWATER—For each company, 3 per cent of premiums; minimum \$10.50, payable January 1.

- GORDO—For each agent, \$10 per annum.
- GREENSBORO—For each company, 4 per cent on first \$100 of premiums; 1 per cent on next \$500, and one-half per cent on balance; new company, \$5, payable January 1.
- GREENVILLE—For each company, 4 per cent of gross premiums, payable January 1; also fee, 50 cents.
- GUIN—For each company, \$7.75, payable annually.
- GUNTERSVILLE—For each company, \$10 and 4 per cent of premiums, payable January 1.
- GURLEY—For each company, \$5, payable January 1.
- HAMILTON—For each company, \$5.00, payable annually.
- HARTSELLE—For each company, 2½ per cent; when commencing business, \$10, January 1.
- HEADLAND—For each company, \$15, payable January 1.
- HEFLIN—For each company, \$10, payable by January 1, or when entering business.
- HELENA—For each agent, \$8.00 per annum, payable October 1.
- HUNTSVILLE—For each company, 4 per cent of net premiums, payable January 1.
- HURTSBORO—For each company, \$8, payable January 1.
- JACKSON—For each company \$10 for first year, thereafter 2½ per cent on gross premiums, payable January 1.
- JACKSONVILLE—For each company, \$10 per annum, payable annually January 1.
- JAMES—For each company, \$5, payable January 1.
- JASPER—For each company, 2½ per cent of premiums, payable January 1.
- LAFAYETTE—For each company, 4 per cent of gross premiums, for first year \$7.50, payable January 1.
- LANETT—For each company, \$10, payable January 1.
- LEEDS—For each agent, \$5; for each company, \$5, also fee 50 cents, payable annually.
- LINDEN—For each agent, \$5 per annum, payable January 1.
- LINEVILLE—For each company, 4 per cent of net premiums, payable January 1.
- LIVINGSTON—For each agent, \$2.50, payable January 1.
- LOUISVILLE—For each company, 4 per cent of gross premiums, payable January 1.
- LUVERNE—For each company, 4 per cent of premiums and 50 cents, payable January 1.
- MARION—For each company, 4 per cent of gross premiums, payable January 1 to 15.
- MOBILE—For each company, 4 per cent of net premiums, less cancellations; new companies, \$100 flat, adjusted on 4 per cent basis at end of year, payable March 1 of each year.

- MONTEVALLO—For each company, \$5, payable January 1.
- MONTGOMERY—For each company, \$4 on each \$100 or major fraction thereof, of gross premiums, less return premiums, payable January 1. Company beginning pays \$100, subject to adjustment.
- NAUVOO—For each company, \$5, payable September 1.
- NEW BERNE—For each company, \$10, payable March 15.
- NEW BROCKTON—For each agent, \$10, payable January 1.
- NEW DECATUR—For each company,  $2\frac{1}{2}$  per cent on each \$100 of gross premiums, payable January 1.
- NEWTON—For each company, \$5, payable January 1.
- NOTASULGA—For each company, \$7.50, also a 50 cents fee, payable January 1.
- OAKMAN—For each company, \$10.25, payable January 1.
- ONEONTA—For each company, 2 per cent net premiums, payable in January.
- OPELIKA—For each company, 4 per cent of premiums and \$10.50; for company entering, \$50.50 (after July 1, \$25.50), adjusted on percentage basis at end of year. Payable February 1.
- OPP—For each company, \$10 per annum, payable January 1.
- OXFORD—For each company, \$15, payable January 1.
- OZARK—For each company, \$20, payable January 1.
- PELL CITY—For each company, 4 per cent of each \$100 of net premiums, payable January 1.
- PENSACOLA—For each company, \$37.50; for each agent, \$5, payable Oct. 1.
- PHENIX—For each agent of each company, \$10, payable January 1.
- PIEDMONT—For each company, \$10, payable January 1.
- PINCKARD—For each company, \$5, payable January 1.
- PINEAPPLE—For each agent, \$5, payable in January.
- PRATT CITY—(Part of Greater Birmingham.)
- PRATTVILLE—For each company, 4 per cent of premiums; new company, \$5, payable January 1.
- ROANOKE—For each company, \$15.50, payable in advance.
- RUSSELLVILLE—For each company, \$5, payable January 1.
- SAMSON—For each company, \$10, payable January 1.
- SCOTTSBORO—For each company, 2 per cent of gross premiums; for each company commencing business, \$10, payable January 1.
- SELMA—For each company, 4 per cent of net premiums; company entering, \$150, adjusted on percentage basis at end of year; payable January 1.
- SHEFFIELD—For each company, 4 per cent of net premiums; for each company entering, \$25; percentage basis at end of year, payable January 1.
- SLOCOMB—For each company, \$5; for each agent, \$5, payable January 1.
- STEVENSON—For each company, \$10.50, payable October 1.
- SULLIGENT—For each company, \$10, payable January 1.
- SYLACAUGA—For each company, 4 per cent of gross premiums; for each company entering, \$15, adjusted at end of year.
- TALLADEGA—For each fire and marine company, \$3.50 per \$100, or major

fraction thereof, of net premiums (\$20 for first year, subject to adjustment).

THOMASTON—For each company,  $2\frac{1}{2}$  per cent of premiums, payable January 1.

THOMASVILLE—For each company, 4 per cent of gross premiums, payable January 1.

THORSBY—For each company, \$5 (50 cent fee), payable annually, January 1.

TROY—For each company, 3 per cent of net premiums, payable January 1.

TUSCALOOSA—For each company, 4 per cent of premiums, payable March.

TUSCUMBIA—For each company represented, 4 per cent of net premiums, payable January 1.

TUSKEGEE—For each company, 4 per cent premiums, also a 50 cents fee, payable January 1.

UNION SPRINGS—For each company, 3 per cent of premiums, payable January 1.

UNIONTOWN—For each company (for each agent and each solicitor), \$15.50, payable January 1; Alabama company \$10.50 and \$1 on each \$100, or major fraction thereof, of premiums.

VINCENT—For each company, \$10, payable February 1.

WARRIOR—For each company, \$5.50.

WEST BLOCTON—For each company, \$10, payable January 15.

WETUMPKA—For each company, 4 per cent on premiums received on policies written previous years, less return premiums, also a 50 cents fee, payable January 1.

WOODLAWN—For each company, \$16, payable February 1.

YORK—For each company, \$5, payable January 1.

#### On or before **CALENDAR—ALABAMA**

Jan. 1 Secure companies annual permit to do business.

Feb. 1 Pay Firemen's Pension and Relief Fund Taxes in cities of 10,000 or more population.

March 1 Annual statement and synopsis for publication must be filed, and filing fee paid. Statement of compliance with law, and tax statement must be filed and premium and fire marshal taxes paid.

Secure agents' certificates of authority.

Dec. 31 Company must secure annual permit, and agents permit for ensuing year; company must secure annual corporation permit, fee \$10, to Secretary of State.

Birmingham tax is payable.

Various municipal taxes and fees are payable January 1 and on other dates.  
(See Municipal Taxes and Fees.)

# ALASKA.

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**AGENTS' LICENSES**—Law of 1919, Chap. 46, Sec. 17. "That any insurance company, corporation, association, firm or individual carrying on or prosecuting or attempting to carry on or prosecute any of the business of fire, marine, life, accident or other insurance within the Territory of Alaska, shall first apply for and obtain license so to do from the Territorial Treasurer, and pay for said license as herein provided." On or before July 1, annually, each agent representing other than domestic companies must procure a license from the Treasurer of the Territory, for which the company pays \$1. This applies to each company represented. License can be issued to a firm or corporation. Penalty for acting as such an agent without license, not exceeding \$500. Penalty for acting as agent for unlicensed company, \$100 for first offense, and \$100 for each month violation continues.

**ANNUAL STATEMENT**—Must be filed with the Territorial Treasurer on or before March 1, and must state the amount of all premiums collected or contracted for in Alaska during the preceding calendar year; the amounts actually paid policyholders on losses, as return premiums, and as dividends; the amount of insurance reinsured in other authorized companies and the premiums paid therefor, with similar information as to reinsurance in unauthorized companies, naming them, and premiums paid therefor; the amount of reinsurance accepted from admitted companies and the premiums received for such reinsurance on risks located in Alaska, with the names of the companies reinsured.

**ANTI-DISCRIMINATION**—Rebating is strictly forbidden.

**ATTORNEY**—A resident citizen of Alaska must be authorized to accept service of legal process.

**BROKERS' LICENSES**—Brokers' licenses must be obtained by those negotiating insurance contracts for others, but who are not agents for companies. These expire July 1. Penalty for acting as broker without license, \$500 for each offense.

**FEES**—Chap. 46, Laws of 1919. Sec. 14. "The Secretary of the Territory shall collect from each company, corporation, association, firm or individual for the services provided in this act the following fees: For filing original certificate of qualification, \$25; for filing power of attorney, \$5; for filing annual certificates of qualification, \$15." Fees are payable in advance. Secretary of Territory, for filing certificate of withdrawal, \$5. Territorial Treasurer, for broker's license, \$101.

**GENERAL PENALTY**—Chap. 57, law of April 29, 1915. "Any officer, agent or employee of any insurance company or other person violating any of the provisions of this act shall be fined not less than \$100 nor more than \$500, and in default of payment of such fine shall be imprisoned not less than ten days nor more than six months."

**MISCELLANEOUS**—Policy fees are prohibited; the only consideration permissible is the premium, under penalty of \$25 to \$100.

**PRELIMINARY DOCUMENTS**—Act of 1919, Chap. 46, Sec. 1. "No company, corporation, association, firm or individual shall be permitted to transact a life, fire, marine, guaranty or other insurance business in the Territory of Alaska until he or it has filed in the office of the Secretary of the Territory of Alaska and in the office of the Clerk of the District Court for the division wherein the business of insurance is intended to be carried on a certificate by the Secretary of State, or other proper officer, of some State of the United States or the Territory of Alaska, setting forth that the said company, corporation, association, firm or individual is qualified to carry on the business of insurance in such State in accordance with the laws thereof." Sec. 2. "Such insurance company, corporation, association, firm or individual, shall also file, at the same time and in the same offices, a power of attorney which shall set forth that such company is a corporation or duly organized insurer (naming the principal place of business of the company and principal place of business for the Pacific Coast), which power of attorney shall authorize a citizen and resident of the Territory of Alaska to receive and accept service in any proceeding in a court of justice of the Territory." Sec. 3. "In case of the death, removal from the Territory, or disqualification of the person so designated by power of attorney, it shall be the duty of such company, corporation, association, firm or individual, within sixty days thereafter, to designate another person in the manner hereinbefore provided." The certificates mentioned above must be renewed annually on or before May 1. Company failing to file renewals and desiring to file same, thereafter shall pay \$2.50, to the Secretary of the Territory, in addition to the regular filing fee. The act applies to all insurers. Failure to file certificate of qualification is *prima facie* evidence of insolvency, and neglect to file same for two years will entail the striking of the company's name from the Secretary's records. A company withdrawing must file certificate of withdrawal, and affidavit that all taxes and charges in Alaska have been paid. Provision is made for reinstatement of companies stricken from the records prior to May 5, 1919, upon payment of all filing fees and penalties, and the filing of all annual qualifications due, and the payment of \$100 as additional penalty; companies subsequently stricken off may be reinstated upon filing all annual qualifications due, payment of all filing fees and penalties, and \$20 additional for each year its name has been stricken from the records; but application must be made within 6 months after name is stricken from records. Every person or company carrying on an insurance business must obtain a license from the Territorial Treasurer.

**RESIDENT AGENTS**—The law providing that all policies should be signed by a resident agent was declared invalid by the Attorney General as regards policies issued outside of the Territory of Alaska.

**TAXES**—A tax of 1 per cent upon all premiums collected or contracted for

is payable to the Territorial Treasurer. In the case of fire or marine insurance companies, there may be deducted from the gross amount of premiums the amounts paid to policyholders as returned premiums and the amount paid as premiums to admitted companies for reinsurance. Taxes are due and payable on or before March 31. Failure to file statement or pay taxes for more than 30 days after due is punishable by a forfeiture of double the amount due, and the company shall be prohibited from doing any more business in Alaska until such fine is paid, and shall also pay as a further penalty a sum equal to 10 per cent of such forfeiture for every week that the same remains unpaid.

### CALENDAR—ALASKA

#### On or before

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|----------|--|
| March 1  | Annual statement must be filed.  |
| March 31 | Premium tax must be paid.  |
| May 1    | Certificate of qualification and power of attorney must be filed<br>and fees paid. |
| July 1   | Agents' licenses must be procured.<br>Brokers' licenses must be procured.          |



# ARIZONA.

## STATE REQUIREMENTS.

**AGENTS DEFINED**—"Agent" or "Insurance Agent" is a person, copartnership, corporation attorney, board or committee duly appointed and authorized by an insurance company to solicit applications for insurance, to be known as a soliciting agent, or to solicit applications and effect insurance in the name of the company, to be known as a recording or policy-writing agent, and to discharge such other duties as may be vested in or required of the agent of the company.

**AGENTS' LICENSES**—Agents must procure licenses for each company they represent from the Corporation Commission, on or before April 1 in each year. Penalty for acting as agent for unauthorized company, fine of \$500 and \$100 additional for each month such violation is continued. General agents authorization must be filed with Insurance Department. A firm or agency corporation is licensed for a single fee.

**ANNUAL STATEMENTS**—Must be filed on or before March 1 of each year with the Corporation Commission. Penalty for failure to file statement, liability to fine of \$25 every day after 30 days from March 1. This and tax statement only ones required. Statement must show separately premiums received in each city of the State having 3000 or more population.

**ANTI-COINSURANCE**—No provision.

**ANTI-COMPACT**—The anti-trust law of May 18, 1912, may be construed as relating to insurance, although the latter is not specifically named. This law prohibits combinations for the purpose of fixing prices on commodities and fire insurance was included in the list of commodities. The State has its own rating organization and acts in compliance with the general statute above mentioned.

**ANTI-DISCRIMINATION**—Sec. 25, Ins. Code, provides that no insurance company, licensed insurance agent, solicitor or broker, personally or by any other party, shall pay or offer to pay any compensation not specified in the contract of insurance. Nor shall any insured accept from any company or agent, etc., any compensation or rebate of premium of any description as inducement for insurance.

**ATTORNEY**—Each member of the Corporation Commission must be appointed attorney, upon whom all processes may be served (Sec. 9, Ins. Code).

**CANCELLATION OF POLICY**—Sec. 57. "Any fire insurance policy may be cancelled at any time by the insurer, giving the insured or his representative in charge of the property insured, and the mortgagee, if the interest of the mortgagee is covered in the policy, five days' notice of such cancellation in writing, and, at the expiration of such five days' notice of such cancellation in writing, all liability on the part of the company shall cease, provided that the company shall, on surrender of the policy, provided that the premium thereon has been paid, pay the insured the return premium,

computed at pro rata for the unexpired time of the policy, or the customary short rate where the insurance is cancelled by the insured; and in the event of the refusal of the company to pay such return premium the liability of the company shall continue until such return premium is paid."

**CAPITAL REQUIRED**—Company must have at least \$200,000 capital, fully paid in, must transact no other business of insurance except Team and Vehicle, and that when \$50,000 additional capital is paid in.

**COMMISSIONS TO NON-RESIDENTS**—Commissions on Arizona risks must be paid to resident agents. The Superintendent of Insurance has ruled that no company will be permitted to make any discrimination in the amount of commissions paid, no matter where the business might originate; that the situs of the property governs where the commissions should be paid.

**DEPOSIT**—No special deposit is required, but provisions are made for the deposits required by other States of domestic companies.

**DOMESTIC COMPANIES**—Sec. 41. "The following number of citizens of the United States, two-thirds of which number shall be residents of the State of Arizona, may incorporate a company as follows: For a stock company not less than five; for a mutual company, not less than ten; for one or more of the purposes specified in Sec. 40 of this act, by making and subscribing written articles of incorporation in triplicate and acknowledging same before an officer authorized to take acknowledgment of deeds, and after having the same approved by the Corporation Commission by filing one copy of such articles with the Corporation Commission, another in the office of the recorder of the county in which the principal office of the company is to be located, and retaining one in the possession of the company."

**EXAMINATIONS**—Sec. 2, Ins. Code. "Whenever the Corporation Commission shall determine it to be prudent for the protection of policyholders in this State, the Commission shall appoint some competent person or persons for the purpose of visiting the home office of any insurance company applying for a license to transact business in this State, or which may be transacting business in this State, whether domestic or otherwise, and examine into the affairs of any company organized under the laws of this State or having an office in this State, which company is engaged in, or is claiming or advertising that it is engaged in, organizing or receiving subscriptions for or disposing of stock of or in any manner aiding or taking part in the formation or business of an insurance company or companies, or which is holding capital stock of one or more insurance companies for the purpose of controlling the management thereof as voting trustee or otherwise, and thoroughly inspect and examine its affairs to ascertain its true financial condition, its ability to meet and fulfil its obligations, whether it has complied with the provisions of law and all other facts that the Corporation Commission may require relating to its business methods and management and its dealings with its policyholders."

**FEES**—For filing annual statement, \$25; for issuing certificate of authority, \$50; for issuing each renewal of certificate of authority, \$30; for filing articles of incorporation, \$25; for filing amendments to charter, \$10; for copy of papers filed with Corporation Commission, twenty cents per folio; for filing miscellaneous papers (each), \$1; for each agent's license, \$2; for appointment of attorney, \$5. These fees payable to the Corporation Commission. Company bears expenses of examination.

**FIRE DEPARTMENT TAX**—None.

**FIRE MARSHAL**—No provision.

**FOREIGN COMPANIES' HOME OFFICE STATEMENT**—Not required to be filed.

**GENERAL PENALTY**—Sec. 55 provides that violations of any provisions of the code, not specified definitely, will be deemed misdemeanors, and shall be punishable as such.

**IMPAIRMENT**—Sec. 6, Ins. Code, provides that when a company has its capital stock impaired to the amount of 20 per cent., or that its assets are insufficient to justify its continuance in business, it must repair the deficiency or have its license revoked. Sec. 7. When mutual companies are deemed to have inadequate assets their licenses shall be revoked and no new policies issued.

**INVESTMENTS PRESCRIBED**—Investments must be on interest-bearing bonds or loans of the United States Government or any of the States, or any county, city or town of any of the States of the United States. In mortgage loans worth 50 per cent more than the amount loaned thereon, exclusive of buildings unless insured and the policies transferred to the company. Balance over required capital stock may be invested in interest-bearing bonds of any corporation of any State of the United States or of the District of Columbia with approval of the Corporation Commission. Domestic companies must report investments quarterly—January, April, July and October. Domestic companies may invest in real property for home office buildings, provided that no such investment will reduce the amount of the surplus assets, exclusive of such investments, to less than 50 per cent of minimum capital required.

**LICENSED BROKERS**—Insurance or agreements with unauthorized companies must be reported annually and a tax of 15 per cent of actual cost of indemnity and gross premiums charged must be paid. (Sec. 37, Ins. Code 1913.)

**LIMIT ON A SINGLE RISK**—No provision for stock companies. Mutual companies are limited to 10 per cent of its surplus assets.

**LLOYDS**—Persons, partnerships, or associations of persons must comply with laws relating to corporations, as to capital, etc.

**MARINE INSURANCE REQUIREMENTS**—Same as for fire insurance companies.

**MISCELLANEOUS**—Companies must furnish insured with blanks for proofs of loss within twenty days after application for same, or be debarred from

requiring proofs from the insured as a precedent to settlement. Copy of any application for insurance which, by the terms of the policy, is made a part of the contract, or is referred to therein, or which may in any manner affect the validity of such policy, must be attached to the policy, or the company is precluded from pleading, alleging or proving any such application, in an action upon such policy, and the plaintiff shall not be required to plead or prove such application, but has the option of so doing. Time for commencing suit shall not be limited to less than two years. Non-payment of a loss within time specified in policy subjects company to additional penalty of 15 per cent and attorneys' fees. No suit over policy may be taken to a Federal court. Projected companies are subject to supervision.

**MUTUAL COMPANIES**—Provisions are made under Sec. 42 of Ins. Code for the classification of mutual companies into four classes, namely: (1) Companies formed to transact general fire insurance on a cash premium plan; (2) companies formed to transact fire insurance business under a cash premium plan on one particular and stated kind of mercantile or manufacturing property; (3) companies formed to transact a general fire insurance on an assessment plan; (4) companies formed to transact fire business on the assessment plan outside of incorporated towns in this State. Sec. 44. "No alien or foreign mutual fire insurance company shall be licensed to make insurance in this State until it shall have accumulated from its underwriting business and earnings surplus assets of not less than \$100,000, and shall have a reinsurance reserve computed on pro rata basis, which surplus assets, if an alien, shall be maintained on deposit in a depository or depositories for insurance company funds in some State or States of the United States. Such company shall not carry insurance on a single risk, for an amount in excess of ten per centum of its surplus assets, as shown by the latest report to the Corporation Commission, without protecting such excess by reinsurance in a solvent company."

**PRELIMINARY DOCUMENTS**—Company must file with the Corporation Commission a copy of its charter or articles of incorporation, a statement showing its condition, and acceptance of provisions of Ins. Code of 1913, and receive from him a certificate of authority to do business. Penalty for doing business in Arizona without authority, fine of \$100 to \$500.

**PUBLICATION**—No company or agent thereof shall advertise assets except those actually owned and available for payment of losses and claims. Every advertisement showing a company's financial condition shall correspond with its verified statement to the Corporation Commission. Penalty for violation from \$200 to \$500.

**RECIPROCAL INSURANCE**—All reciprocal or interinsurance associations must comply with all laws governing mutual fire companies.

**RECIPROCAL LAW**—Sec. 19, Ins. Code, provides that any taxes, fines, penalties, licenses, fees, deposits, etc. (in excess of those imposed by this State upon foreign companies) by any other State on domestic companies of this

State shall be imposed on the companies and agents of that State when transacting business in Arizona.

**REINSURANCE**—Sec. 53. "No insurance company authorized to transact business in this State, and no manager or agent thereof, shall reinsure, transfer of cede in any manner whatsoever the whole or any part of its liability under a policy covering property within this State, except marine risks in any alien company not having a duly appointed attorney in fact in the United States to accept services of legal process, or not admitted to transact business in the United States and having a deposit in some State in the United States. Penalty for violation a sum not exceeding \$5000." In 1916, the Superintendent of Insurance wrote: "We believe that authorized companies are permitted, under our present law, to reinsure Arizona risks in unauthorized companies, but they should not be."

**REINSURANCE RESERVE**—Sec. 47, Ins. Code. "In ascertaining its liabilities there shall be charged in addition to the capital stock and all outstanding claims a sum equal to the total unearned premium less unearned premium on amount reinsured on the policies in force computed on a pro rata basis."

**RESIDENT AGENTS**—Sec. 26, as amended in 1915. "It shall be unlawful for any foreign insurance company to make, write, place or cause to be made, written or placed in this State any insurance policy or contract of any kind to provide against any contingency which may be insured or guaranteed against, unless done through its duly and regularly appointed and authorized agent or agents, residents of this State; any insurance company violating this section shall have its certificate of authority to do business in this State suspended not less than one year, and it shall only be renewed upon a written pledge from the directors or executive body in authority over the officers that this section will be fully and faithfully observed. When an agent or solicitor of any insurance company doing business in this State accepts an application for insurance from any person not provided with the certificate for a broker or an agent or solicitor as required herein, and in any way compensates or promises to compensate such person for soliciting such application, the Commissioner shall, upon due proof and notice, suspend or revoke the certificate of such agent or solicitor; and if it shall appear to the Commissioner that the company for which such agent or solicitor is acting is guilty of participation in the acts of such agent or solicitor, the Commissioner shall suspend the certificate of authority of such company to do business in this State for a period of not less than one (1), nor more than three (3) months, for each and every offense." No license will be issued to non-resident agents, brokers or solicitors.

**SEMI-ANNUAL STATEMENTS**—None required.

**STANDARD POLICY**—Sec. 56, Ins. Code. No policy recognized except old New York standard with 'stock' or 'mutual' printed on face and filed on back.

**TAXES**—Two per cent on gross premiums after deducting return premiums and reinsurance in admitted companies, payable to Corporation Commission, "such tax shall be payment in full of all demands of any and all taxes on said company or of licenses for conducting said business of insurance in this State other than as provided for by Sec. 14 (Par. 3396) and Sec. 31 (Par. 3414) of this act." (Sec. 14 relates to fees (see "Fees") and Sec. 31 relates to agents' licenses.) (Sec. 21, Ins. Code.) Arizona companies exempt. Tax is payable when filing statement.

**TAX STATEMENTS**—Must be filed on or before March 1 with annual statement. (Sec. 21, Ins. Code.) Premiums received in each city of 3000 or more inhabitants must be separately reported.

**VALUED POLICY**—No provision.

#### **COUNTY TAXES AND FEES.**

None permitted by State law.

#### **MUNICIPAL TAXES AND FEES.**

None

#### **CALENDAR—ARIZONA**

On or before

**March 1** Annual and tax statements must be filed and premium tax and filing fees paid.

**April 1** Company's and agents' licenses must be procured and fees paid.

# ARKANSAS.

## STATE REQUIREMENTS.

**AGENTS DEFINED**—Act 117 of 1895, Sec. 1. "Any person who shall hereafter solicit insurance or procure applications shall be held to be soliciting agents of the insurance company or association issuing a policy on such application, or on a renewal thereof, anything in the application or policy to the contrary notwithstanding." Penalty for soliciting business for an unauthorized company, a fine of \$500 for each month or fraction thereof during which such business was transacted.

**AGENTS' LICENSES**—Agents must procure licenses from the Auditor, which expire March 1. Penalty for acting as agent, without license, or for unauthorized company, fine of not more than \$500. Applications for licenses not required to be made by company officers. Each soliciting or selling member of a firm must hold a license.

**ANNUAL STATEMENTS**—Must be filed within sixty days after January 1. Penalty for failure to transmit any statement required, fine of \$100 for each day's neglect. Making false statement is a felony, punishable by imprisonment for three to ten years. This report, the tax statement and the franchise tax statement are the only ones required. Mutual company must file annual statement in February; if organized outside of Arkansas, must file statement within sixty days after January 1. (Classification of business must be filed annually.)

**ANTI-COINSURANCE**—No provision. Valued policy law precludes use of coinsurance clauses in policies on buildings.

**ANTI-COMPACT**—The Act of January 23, 1905, was a very drastic measure, and was extra-territorial in its application, prohibiting licensed companies from being members of any organization which fixed or maintained premium rates anywhere. This law was amended in 1907 by eliminating the provision which made the 1905 law extra-territorial in effect, so that the present law merely prohibits licensed companies from co-operating in regard to premium rates in Arkansas. Sec. 4, as amended in 1913, reads as follows: "No individual, company or corporation shall be subject to any of the penalties of this Act, unless such individual, company or corporation shall do within this State some act directly tending to carry into effect a conspiracy prohibited by this Act; and the purchase, sale, delivery or disposition of any article of commerce in a lawful manner within this State shall not be deemed an act done in pursuance of or for the purpose of carrying into effect any such conspiracy." Penalty for violation, from \$250 to \$5,000 for each day. Common expert allowed to inspect individual risks and advise premiums. See "Rate Schedule to Be Filed." Affidavit of compliance required annually.

**ANTI-DISCRIMINATION**—Provision requiring uniformity of rates is construed as prohibiting division of commission with insured.

**ATTORNEY**—The Auditor of State, or some other resident, must be appointed to accept service of legal process.

**CANCELLATION OF POLICY**—No requirement as to notice to insured.

**CAPITAL REQUIRED**—Subscribed, \$100,000 or more; paid up, not less than \$50,000.

**COMMISSIONS TO NON-RESIDENTS**—Prohibited on Arkansas risks.

**DEPOSIT**—Sec. 4124. "All fire, life and accident insurance companies, individual or corporation, now or hereafter doing business in this State, shall, in addition to the duties and requirements now prescribed by law, annually give a bond to the State of Arkansas with not less than three good and sufficient sureties, to be approved by the Auditor of State, in the sum of twenty thousand dollars, conditioned for the prompt payment of all claims arising and accruing to any policyholder issued by any such company, individual or corporation, upon the life or person or property of any citizen of the State, and such bond shall be annually renewed; provided nothing in this act shall be construed as applying to fraternal orders insuring the lives of their members." Penalty for doing business without giving bond, fine of \$20 to \$100. Domestic mutual companies must file bonds for \$15,000; and such companies filing an additional bond for \$10,000 may issue non-assessable policies. Act of May 13, 1905. Sec. 4. "All foreign mutual fire insurance companies authorized to do business in this State shall annually give a qualified indemnity bond to the State of Arkansas with not less than three good and sufficient sureties, or with a surety, trust, or indemnity company authorized to do business in this State, as surety, to be approved by the Auditor of the State, in the sum of \$20,000, conditioned for the prompt payment of all claims arising and accruing to any person during the term of said bond by virtue of any policy issued by any such company upon any property situated in the State, and said bond shall be in full force and effect during the lifetime of any policy issued by said company. Not less than two of the sureties on the aforesaid bond shall be residents of this State, and said resident bondsmen shall own property in this State subject to execution equal in value to the amount named in the bond. It shall be the duty of the Auditor of State to require any such insurance company to file a new bond as herein provided at any time when it shall appear that such bond is not sufficient or that the amount thereof has been exhausted by judgment or that the sureties on same have died or become insolvent." Sec. 5. "All such companies shall comply with the provisions of Secs. 4336, 4338, 4344 and 4346 of Kirby's Digest of the Statutes of the State of Arkansas not inconsistent with this act." Bond to be filed before March 1.

**DOMESTIC COMPANIES**—No special provisions.

**EXAMINATIONS**—May be made when deemed necessary by Auditor.

**FEES**—For filing certified copy of charter, \$15; for filing annual statement or



certificate of other State Commissioner, in lieu thereof, \$10; for certificate of authority to transact business, \$2; for publication of annual statement or other publication required by the insurance laws of this State, or for official examination of companies in person or by attorney, as provided by law, the actual expenses incurred; for every copy of any paper filed in the bureau, the sum of 20 cents per folio; affixing the official seal to such copy and certifying same, \$1; certificate for agent, \$2; for each soliciting member of a firm, company or corporation, \$5.

Act No. 87, approved March 8, 1911. Sec. 1. "That all corporations organized under the laws of this State, except such corporations as are hereinafter specifically mentioned, shall pay for the filing of its articles of incorporation a fee of twenty-five (\$25) dollars for the first ten thousand (\$10,000) dollars, or under, of its authorized capital stock, and one-tenth of one per cent additional on all amounts in excess of ten thousand (\$10,000) dollars; and shall pay for any increase of its capital stock twenty-five (\$25) dollars on the first ten thousand (\$10,000) dollars, or less, and one-tenth of one per cent additional on all amounts in excess of ten thousand (\$10,000) dollars." Sec. 11. "All insurance companies organized under the laws of any other State, and seeking to do business in this State, shall pay for filing copies of articles of incorporation the same fees as are charged insurance companies, organized under the laws of the State of Arkansas, for filing copies of articles of incorporation in the State where such foreign company, that seeks to do business in this State, was organized; provided, foreign insurance companies organized outside of the United States, shall pay the same fees for filing copies of articles of incorporation as are required by the State in which their principal office in the United States is maintained. Provided further all foreign unincorporated insurance companies, associations, shall pay five hundred dollars for the privilege of doing business in this State." Sec. 12. "All corporations that have heretofore paid all the fees prescribed by previous Acts of the General Assembly of this State, shall not be required to pay the fees prescribed by this Act." Sec. 13. "All amounts paid to the State Treasurer under this Act shall be placed to the credit of the general revenue fund and the State Treasurer shall issue to the corporation paying the amount triplicate receipts, one of which shall be filed by the corporation with the State Auditor and one with the Secretary of State. Upon filing the receipt with the Secretary of State, if by a domestic corporation, and such corporation has complied with the other laws of the State of Arkansas, the Secretary of State shall issue to it a charter to do business in this State. If the payment is made by a foreign corporation, and such foreign corporation has complied with all the laws of the State of Arkansas, regulating foreign corporations, the Secretary of State shall issue to such corporation a certificate showing that it is authorized to do intra-State business in Arkansas." Sec. 15. "If any corporation embraced herein shall amend its charter so as to extend its operations, it shall pay additional fees on the same basis prescribed by this act for such incor-

poration." Sec. 16. "This Act shall not be deemed a repeal of any law now in force regulating corporations, or the payment of fees and taxes by corporations, except that Act 294, approved May 31, 1909, is hereby repealed."

The foregoing requirement as to companies organized outside of the United States is construed by the Attorney-General as follows: "I am of the opinion that the clause quoted means that a company organized outside of the United States shall pay for filing a copy of its articles of incorporation in this State the same fees as such company would be required to pay in the State wherein it maintains its principal office for the United States and for business transacted therein. That is to say, if a British company maintains its principal office in the United States in the State of Connecticut and desires to transact business in the State of Arkansas it should pay to the State of Arkansas for the filing of its articles of incorporation the same fees as are required of it by the State of Connecticut.

**FIRE DEPARTMENT TAX**—No provision.

**FIRE MARSHAL**—Act 190, laws of 1917, provides for the establishment of a State Fire Marshal who shall have general supervision of fire prevention and protection measures. Investigation of fire causes and prosecution of the guilty are also left to the fire marshal.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—Must be filed before July 1. (Not enforced.)

**GENERAL PENALTY**—For any violation of, or non-compliance with, law, revocation of license and fine of \$20 to \$500. Penalty for making false representations to obtain business, imprisonment for three to ten years.

**IMPAIRMENT**—If after charging reinsurance reserve against company and adding all other debts and claims against the company, capital stock is impaired twenty per cent, Commissioner shall notify company to make good in sixty days. No new business shall be done until the paid-up capital shall be equal to the amount required by law for the transaction of business.

**INTER-INSURANCE**—Act No. 152, of 1915, provides for the formation of reciprocal or inter-insurance exchanges, under the supervision of the Insurance Commissioner. An exchange must have applications for insurance on at least 100 separate risks, aggregating \$1,500,000, and an initial sum on deposit of at least \$25,000.

**INVESTMENTS PRESCRIBED**—No provision.

**LICENSED BROKERS**—No provision. Property holders allowed to insure in unauthorized companies must pay 5% of premiums as tax.

**LIMIT ON A SINGLE RISK**—No provision.

**LLOYDS**—No provision. (See Reciprocal Insurance.)

**MISCELLANEOUS**—Penalty for non-payment of loss within time specified in policy, twelve per cent damages upon the amount of loss, with reasonable attorney's fees. Company removing suit to Federal court will have its license revoked. Agent must personally inspect risk during term of policy. Judgment for attorneys' fees against insurance company when

losing case. A 1919 law requires the Insurance Commissioner to compile data on the underwriting experience in the State for the various companies and to order a reduction in rates if an underwriting profit of more than five per cent is shown.

**MUTUAL COMPANIES**—Act 14 of 1897, Sec. 1. "That it shall be lawful for any number of farmers of this State to make mutual pledges and give valid obligations to each other for their own insurance from loss by fire, or loss or damages by tornadoes, lightning, cyclones or wind storms, but such association of persons shall in no case insure any property not owned by one of their own number; provided, that the word farmer as used in this act shall apply to and include only such person as actually resides upon a farm and cultivates or superintends the cultivation of same." Act of May 13, 1905. Sec. 1. "No mutual fire insurance company organized outside of this State shall be permitted to do business in this State until it shall have assets amounting to \$50,000 in cash or securities that can be converted into cash within sixty days, in excess of all its liabilities including a reserve of the entire unearned premiums on all outstanding policies." See "Deposit"; "Resident Agents"; "Annual Statements." A mutual company may be organized by three or more citizens who are propertyholders and taxpayers. Articles of association and incorporation must be filed with Secretary of State, and certified copy thereof with Auditor of State. Only citizens and residents and taxpayers for at least three years are eligible to act as director or officer. Company must have at least \$100,000 of risks and \$3000 of premiums subscribed for.

**PRELIMINARY DOCUMENTS**—Company must file with the Auditor a certified copy of its charter and a certificate giving the date of its organization and the location of its principal office and a statement showing its condition and business on December 31, preceding. Foreign companies must file certified copy of charter and certificate giving date of organization and location of its principal office; designation of attorney; statement of capital employed in operating its business in the State; statement of assets and liabilities; directors' resolution authorizing service upon any agent or the Secretary of State. See "Deposit." Certificate of compliance with laws of company's home State required annually by March 1. Penalty for doing business without complying with act 313, approved May 13, 1907, a fine of \$1000.

**PUBLICATION**—No requirement.

**RATING SCHEDULES TO BE FILED**—Section 2. "All companies, corporations or associations authorized to transact business of insurance in this State, shall file with the Auditor or Insurance Commissioner a schedule of rates of premiums to be charged and collected therefor, on contracts of insurance of indemnity proposed to be effected by said company, corporation or association, which in all cases shall be a fixed percentage of the amount insured, and such companies, corporations and associations may employ a common expert to inspect individual risks and advise the pre-

miums to be charged in accordance with schedule of rates on file with the Auditor or Insurance Commissioner, and such premiums shall be uniform for all risks rated under the same schedule."

**RECIPROCAL LAW**—None. See "Fees."

**RECIPROCAL INSURANCE**—Act 152, laws of 1915. This law regulates the admission, organization and operation of reciprocal and interinsurance organization. An attorney is required on whom all processes may be served. An amendment of 1917, Act 264, Sec. 11 provides: "Such attorney shall, with the filing of the application for certificates of authority, pay a filing fee of ten dollars, and with the filing of each annual report shall pay a tax of two per centum of the gross deposits received from Arkansas subscribers during the preceding calendar year reduced by all amounts returned to the subscribers, or credited to their accounts as savings or reserve. Such tax shall be in lieu of all other taxes, State, county or municipal on such receipts, nor shall any city, town or municipality impose any license fee or privilege tax on any such exchange, or representatives thereof, for the privilege of transacting business."

**REINSURANCE**—Reinsurance in unauthorized companies is not prohibited; but the original insuring company must report all premiums on such business, and pay a five per cent tax thereon, instead of the usual one and one-half per cent. Penalty for violation, \$100. See "Taxes." Authorized companies not allowed to reinsure risks of unauthorized companies.

**REINSURANCE RESERVE**—The reinsurance fund must be maintained at fifty per cent of all premiums on unexpired fire risks that have less than one year to run, and pro rata of all premiums on unexpired risks having more than one year to run; the entire premiums received on unexpired marine and inland risks. When the reinsurance fund thus calculated is less than forty per cent of all premiums received during the year, then the whole of the premiums received on unexpired risks shall constitute the reinsurance fund. Domestic mutual companies must reserve at least fifty per cent of premiums for payment of losses and benefit of policyholders.

**RESIDENT AGENTS**—Act of May 11, 1905. Sec. 1. "Any fire insurance company \* \* \* authorized to do business in this State is hereby prohibited from authorizing or allowing any person, agent, firm or corporation who is non-resident of the State of Arkansas to issue or cause to be issued its own policy or policies of insurance or reinsurance on property \* \* \* located in the State of Arkansas." Sec. 2. "Any person, agent, firm or corporation licensed by the Auditor to act as agent for any fire insurance company, \* \* \* in the State of Arkansas is hereby prohibited from paying directly or indirectly any commission, brokerage, or other valuable consideration on account of any policy or policies covering any property \* \* \* in the State of Arkansas, to any person, agent, firm or corporation who is a non-resident of this State, or to any person, agent, firm or corporation not duly licensed by the auditor as agent for any fire insurance company. \* \* \*." Penalties for violations, by companies, first

offense, revocation of license for three to six months; for each subsequent offense, revocation of license for one year; by agents, revocation of licenses for all companies for three to six months for first offense, and for one year for second offense. (No exception of railroad property or property in transit is provided for in the law.) Each member of a fire company who actually solicits or writes insurance is required to hold license. A mutual company organized outside of the State must appoint a resident general agent, and all business transacted in Arkansas shall be transacted through said general agent and agents appointed by and reporting to him.

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—None specifically required by law. Commissioner requires a company to furnish copies of policies used with approval of Insurance Department of its home State.

TAXES—Act 264, laws of 1917. "Every fire, tornado or marine insurance company, incorporation or association authorized to do business in this State shall file with the Auditor or Insurance Commissioner at the same time with its annual statements, a sworn statement setting forth the gross amount of premiums received by it from policies covering risks within this State, and upon all property located in this State during the year ending December 31 preceding, without deductions for commission, return premiums or consideration set for reinsurance, or any deductions whatever, and shall also therein set forth in separate items return premiums paid for cancellations and authorized reinsurance. After deducting such return premiums and authorized reinsurance, shall pay into the State Treasury on or before the first day of March, a tax of 2% on such gross receipts, and such tax shall be in lieu of all other taxes, State, county or municipal, on such receipts; nor shall any city, town or municipality impose any license fee or a privilege tax upon any company or agent of any company for the privilege of transacting such business of insurance. Provided that any person, firm, corporation, individual or association doing business in this State securing indemnity contracts or policy of insurance from any person, firm, corporation or association or individual not authorized to do business in this State, shall, on or before the first day of March each year, file with the Auditor of State a sworn affidavit of the amount of premium paid to such unauthorized persons, firms, associations or corporations, and shall pay into the State Treasury a tax of five per centum of the gross premiums paid; and provided, further, that insurance companies organized under the laws of Arkansas shall not be required to pay the above subscribed tax except on that portion of their premiums paid for reinsurance in unauthorized companies." Franchise tax, payable to the Treasurer of State annually, on or before August 10, \$100 if capital stock outstanding is less than \$500,000, or \$200 if capital is \$500,000 or more. Mutual company pays \$100.

TAX STATEMENTS—Must be filed within sixty days after January 1. Franchise tax statements must be filed annually, on or before July 1, with the Arkansas Tax Commission.

**VALUED POLICY**—Law passed 1889, amended 1899, Sec. 1. "A fire insurance policy, in case of a total loss by fire of property insured, shall be held and considered to be a liquidated demand against the company for the full amount for which the company charges and collects premiums; provided, that the provisions of this article shall not apply to personal property." In July, 1918, the Attorney General ruled that the three-fourths value clause cannot be used in policies covering dwellings or other real property.

**COUNTY TAXES AND FEES.**

None.

**MUNICIPAL TAXES AND FEES.**

None.

**CALENDAR—ARKANSAS**

On or before

- |              |           |  |
|--------------|-----------|--|
| <b>March</b> | <b>1</b>  | Company and agents' licenses must be secured and fees paid.<br>Annual statement, certificate from home State and tax statements must be filed and premium taxes paid.<br>Surety bonds to be renewed. |
| <b>June</b>  | <b>1</b>  | Franchise tax statement must be filed with Arkansas Tax Commissioner.  |
| <b>July</b>  | <b>1</b>  | Foreign companies should file home office statements.<br>Affidavit of compliance with anti-compact law to be filed.  |
| <b>Aug.</b>  | <b>10</b> | Franchise tax is payable to Treasurer of State.  |

# CALIFORNIA

## STATE REQUIREMENTS

**AGENTS DEFINED**—Sec. 633, as amended in 1917. "Any person duly appointed and authorized by an insurance or surety company to solicit applications for insurance or offer insurance in the name of such company, shall be an agent within the meaning of this section."

**AGENTS' LICENSES**—(Sec. 633, as amended in 1917). "No person shall act as agent of any insurance company until such person shall have first obtained a license from the Insurance Commissioner authorizing him or it so to act. On notice of any licensed company to the Insurance Commissioner, he may license an agent upon payment of a fee as provided elsewhere, and filing by the agent of an application in writing duly verified under oath, stating his full name, his experience, name of the company for which he is to act, and such other things as the Insurance Commissioner designates. Such license shall continue in force until July 1 after the date thereof, but must be, and shall be, sooner revoked upon application of the company or its authorized agent. Such license may be renewed from time to time until July 1, on production by the holder to the Commissioner of a certificate from the company that such person's authority as such agent or solicitor continues, or until irregularities or misstatements in his application, the Commissioner revokes his authority." (Sec. 623.) The Commissioner must require every company to file in his office a bond, signed by the company, as principal, and issued by a licensed surety company as surety, to be approved by the Commissioner, in the penal sum of \$20,000, the condition of such bonds to be as follows: (1) That the company and its agents will pay all State, county and municipal property and license taxes, in the manner and at the time prescribed by law; (2) That the company named therein will conform to all the provisions of the revenue and other laws made to govern them; (3) and that the company will promptly pay all fees, assessments, taxes, penalties, and fines that may be laid upon or against such company. Every general agent must procure from the Commissioner a certificate of authority. Every company must have a resident general agent. Penalty for acting for unauthorized company, imprisonment not exceeding six months, or fine not exceeding \$500, or both. Neither a firm nor a company can be licensed as an agent; each person must have a separate license.

**ANNUAL STATEMENTS**—Companies must file statements of condition and affairs, including California business in the preceding year, on or before March 1 of each year. Penalty for willful failure to file statements prescribed by a law, a fine of \$100, and \$200 for each month or fraction thereof company continues to do business without filing same. Statement

of classification of business in California is required to be shown on tax statements to be filed on or before March 1 annually.

**ANTI-COINSURANCE**—No provision.

**ANTI-COMPACT**—It has not yet been determined whether or not the "Carrington bill," which became a law in 1907, refers to insurance companies.

**ANTI-DISCRIMINATION**—Sec. 633-B, law of 1917, prohibits any insurance company, or agent thereof, from paying directly or indirectly, as an inducement to insurance, on any risk in the State, any rebate of, or part of the premium payable on the policy or contract of insurance or of the agent's or broker's commission thereon. No distinction may be made in the premium rates of risks in the same class of insurance. All policies or contracts must contain a true statement of the premium paid or to be paid and of the risk covered for such consideration. The law does not prohibit commissions paid to reinsuring companies or to licensed brokers. Violators of this law shall be guilty of a misdemeanor and shall be punishable by revocation of their licenses.

**ATTORNEY**—A resident of the State must be appointed to accept service of legal process; in the absence of such attorney the Insurance Commissioner must be authorized to accept service. He must be the principal agent of the company in the State.

**CANCELLATION OF POLICY**—Five days' written notice to insured and to mortgagee or other person to whom, with written consent of company, the policy is made payable, is required by law.

**CAPITAL REQUIRED**—Stock fire or marine companies must possess an unimpaired capital of not less than \$200,000. Companies transacting both fire and marine insurance must have at least \$400,000 capital. Fire or fire-marine company transacting either of the following classes of insurance, viz.: boiler and machinery; sprinkler; automobile; miscellaneous (including lightning, windstorm, tornado, earthquake and casualty) must have \$50,000 additional capital for each class. A marine company may write "teams and vehicle insurance" (including liability for damage by accident or collision or explosion). A mutual or stock-mutual company of another State or country, having less than \$100,000 capital, must have in lieu of such capital at least \$200,000 of available cash assets above all liabilities.

**COMMISSIONS TO NON-RESIDENTS**—No provision.

**DEPOSIT**—None required (except by the application of retaliatory law).

Companies of other countries must have an amount equal to the amount of capital stock or cash assets required on deposit with the Insurance Commissioner of California or a State official of some other State. "Such deposit must be of securities which the law of California permits for the investment of the assets of such California insurance companies." (See "Investments Prescribed.") (See "Agents' Licenses.") Surety bond for \$20,000 must be deposited by each company.

**DOMESTIC COMPANIES**—Must have \$200,000 subscribed capital, which must be paid in before commencing business. New company pro-



motions are under supervision of Insurance Commissioner and Corporation Commissioner. Organization expense must not exceed 15 per cent of capital.

**EXAMINATIONS**—Sec. 597. "The Commissioner, whenever he deems necessary, or whenever he is requested by verified petition, signed by 25 persons interested, either as stockholders, policyholders, or creditors of any company engaged in insurance business in this State, showing that such company is insolvent under the laws of this State, must make an examination of the business and affairs relating to the insurance business of such company, and must make such an examination whenever any company is organized to do insurance business in this State."

**FEES**—Generally each company, on applying for admission, must file the following documents and pay the fees specified: 1. Certified copy of charter or articles of incorporation, and certificate as to organization, capital and assets from the Insurance Commissioner of its own State, \$55; 2. Appointment of general agent and stipulation, \$5; 3. Bond in the sum of \$20,000, \$5; 4. Statement as to financial condition, \$20; 5. Certificate of authority (expires July 1), \$10; 6. Certificate of deposit of securities (required only of companies organized outside of the United States), \$5; authorization empowering general agent to sign bond and appoint agents may also be filed. For filing the annual statement required to be filed, \$20; for filing any other papers required to be filed, \$5; for furnishing copies of papers filed in Commissioner's office, 20 cents per folio; for certifying copies, \$1 each; for registering each policy, 25 cents; for issuing each annual certificate of authority, \$10 annually; for issuing each annual license authorizing an agent to solicit any insurance business, \$1; for attaching the seal of office to any paper or document not herein specified, \$1; for issuing any other certificate, \$2; for issuing each annual license to an insurance broker, \$10; fee for brokers' license to deal with unauthorized companies, \$25 per annum. For the purposes of taxation, reinsurances and cancellations are deducted from the gross premiums collected. Credit is allowed for tax paid on real estate owned in California. Each company must file with Secretary of State at Sacramento certified copy of articles of incorporation, the fee for which varies according to amount of capital stock, and an appointment of agent upon whom service of process may be made, fee for filing which is \$5. The Secretary of State must collect the following fees from new domestic companies: For filing articles of incorporation, if capital is \$25,000 or less, \$15; for capital of \$25,000 to \$75,000, \$25; for capital of \$75,000 to \$200,000, \$50; for capital of \$200,000 to \$500,000, \$75; for capital of \$500,000 to \$1,000,000, \$100; and \$50 additional for each \$500,000 or fraction thereof of capital over \$1,000,000; if no capital stock, fee is \$5, except for co-operative associations, for which fee is \$15. For recording articles of incorporation, 25 cents per folio. For issuing certificate of incorporation, \$3.

**FIRE DEPARTMENT TAX**—No provision.

**FIRE MARSHAL**—No provision.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—Are required by Insurance Commissioner, on or before July 1.

**IMPAIRMENT**—A stock company is insolvent if its paid-in capital is impaired more than 25 per cent, even though the balance exceeds the minimum amount of capital required by law. License of insolvent company must be revoked, but if the company becomes solvent within 90 days, a new certificate of authority may be issued to it.

**INVESTMENTS PRESCRIBED**—No company is permitted to own more real estate than its home office building, and such as is required for its accommodation in the convenient transaction of its business, except such as is conveyed to it or purchased to protect the company from loss on loans or debts; and in the latter cases such property must be sold within five years. Capital, surplus and accumulations may be invested in or loaned upon United States bonds or notes; bonds of any of the States of the United States which have not within five years defaulted in payment of principal or interest; bonds of any county, municipality or school district of any State or Territory of the United States which has not defaulted in payment of principal or interest within two years; bonds of permanent road divisions, irrigation districts authorized as legal investments (irrigation district bonds not to exceed 60 per cent of value of land, water rights, etc., in district); mortgage loans on real estate not exceeding 60 per cent of value, or which are guaranteed by a mortgage insurance company. After the sum of \$200,000 has been invested as above prescribed, a company may invest the balance of capital, surplus and accumulations in the purchase of or loans upon the stock of any corporation (except mining companies) organized and carrying on business under the laws of the State of California, or of the United States, which have at the time of investment a market value of not less than their paid-in value, or in interest-bearing bonds of any corporation of any State or Territory of the United States which has not defaulted on principal or interest within five years, and which are rated as first class securities, provided that a two-thirds vote of all the directors of such corporation shall approve such investment. It shall be the duty of the secretary of such corporation to report during the months of January and July of each year to the Insurance Commissioner details concerning such investments so made by them, and the Insurance Commissioner may require sale of any which seem to him injudicious. Provision is also made for investments abroad by domestic companies doing business in foreign countries.

**LICENSED BROKERS**—Provision is made for licensing brokers to deal with unauthorized insurance companies. Licenses expire July 1, and the fee is \$25 per annum. Details must be filed within one week as to all policies so procured; also a list of authorized companies comprising a majority thereof from whom the insurance so effected was not procurable. Broker must file \$5000 bond to secure compliance with law;

must file sworn statement by March 1, of gross and return premiums, and must pay a tax of three per cent on gross less return premiums. Section 633-A, amended 1919, provides that any person, firm or corporation who shall act or offer to act as an insurance broker, unless licensed by the Insurance Commissioner, shall be guilty of a misdemeanor, but the policy issued on an application thus procured shall bind the insurance company if otherwise valid. Any person, firm or corporation other than an insurance or surety company or society or agent of such company or society or employee compensated by salary only, and acting in behalf of such company or society or agent \* \* \* who for compensation acts or aids in any manner in negotiating contracts for insurance or surety bonds or reinsurance or placing risks or affecting insurance or reinsurance for a party other than himself or itself shall be an insurance broker. All persons desiring to act as brokers must first file with the Insurance Commissioner on form prescribed, an application in writing, accompanied by required fee (\$10). Licenses expire on July 1. License may be issued in the name of a person, firm or corporation.

**LIMIT ON A SINGLE RISK**—Ten per cent of capital actually paid in and intact at time of writing risk unless excess is at once reinsured.

**LLOYDS**—No specific provisions. Sec. 634a. "The word company as used in this title includes every association, corporation, firm, or person transacting or desiring to transact any kind of insurance business under the laws of the State of California." See "Reciprocal Insurance."

**MARINE INSURANCE REQUIREMENTS**—Same as for fire insurance companies.

**MISCELLANEOUS**—Any person interested, as owner, assignee, pledgee or payee, of any policy of insurance may apply to the Insurance Commissioner for any information desired about such policy, making affidavit that he is entitled to same, and the Commissioner may call upon the agent of the company for such information, which must be furnished within 90 days under penalty of revocation of license; and the Commissioner must promptly, on its receipt, supply such information to the applicant. Company causing the removal of a case from a State to a Federal court is liable to have its license revoked. Withdrawal from the State must be advertised at company's expense. No officer of a company may borrow its funds. Misrepresentation and twisting are forbidden by law of 1915 (Senate Bill No. 571). Promotion expense of a new company is limited to 15 per cent of its paid-in capital (exclusive of surplus). Guaranty surplus and special reserve funds are provided for in a law of 1917.

**MUTUAL COMPANIES**—Provision is made in the statutes for the organization of county and other mutual fire insurance companies. (See "Capital.")

**PRELIMINARY DOCUMENTS**—Company must file with the Commissioner a certified copy of its articles of incorporation, or of the law, charter or deed of settlement under which organized, and a certificate signed by

the proper State officer, showing that it possesses the capital stock or assets required by the State. Also a statement of its affairs December 31 preceding, appointment of general agent, and a bond (by the general agent) for \$20,000. (See "Fees.")

**PUBLICATION**—Statements must be published daily for one week in a daily newspaper of general circulation, or four consecutive times in a weekly newspaper of general circulation in the city or city and county where the principal office of the company in the State located. Publication to be made before June 1.

**RECIPROCAL INSURANCE**—A law of 1917 provides for the organization and government of inter-insurance exchanges. It provides that there shall be filed with and approved by the Insurance Commissioner a declaration under oath of the attorney of the exchange, setting forth the name (which must be dissimilar to that of any other insurance corporation), with a copy of the form of policy contract or agreement, the kinds of insurance to be effected or exchanged, that applications have been made for indemnity upon at least one hundred separate risks, aggregating not less than \$1,000,000 as represented by bona fide applications which must become concurrently effective; also that there shall be maintained assets equal to the unearned premiums and other liabilities, and not less than \$25,000.

**RECIPROCAL LAW**—There is a retaliatory law as to taxes, fees, etc.

**REINSURANCE**—No law restricting reinsurance in unauthorized companies, but credit in reduction of taxes only allowed for reinsurance in authorized companies. The Insurance Commissioner has said: "It is my opinion that a company cannot do reinsurance business in the State of California without certificate of authority required by Sec. 596 of the Political Code, and in that regard there is no distinction between reinsurance and any other insurance business."

**REINSURANCE RESERVE**—Fifty per cent of premiums on fire risks and marine time risks; the entire premiums on all other marine risks.

**RESIDENT AGENTS**—No requirement, except for service of process. See "Attorney."

**RETALIATORY LAW**—Statutes of 1907. Sec. 622. "When by the laws of any other State or country, any taxes, fines, penalties, licenses, fees, deposits of money or of securities, or other obligations or prohibitions, are imposed on insurance companies of this State doing business in such other State or country, or upon their agents therein in excess of such taxes, fines, penalties, licenses, fees, deposits of securities, or other obligations or prohibitions, imposed upon insurance companies of such other State or country, so long as such continue in force, the same obligations and prohibitions of whatsoever kind must be imposed upon insurance companies of such other State or country doing business in this State. And whenever under this section any deposit of security shall be made in this State, such deposit shall be made in bonds of the United States Government, or in those of the State of California, or in interest-

bearing bonds of any of the countries or incorporated cities and towns of the State of California, not in default for interest on such bonds, which said securities must be estimated at not exceeding their par value nor their market value."

**SEMI-ANNUAL STATEMENTS**—None required.

**STANDARD POLICY**—A standard policy form is required to be used known as the California Standard Form.

*File with insurance 24/9/10*

**TAXES**—A tax of two per cent is imposed on gross premiums collected in California by all fire insurance companies, less return premiums and reinsurance in authorized companies, subject to action of retaliatory law. Credit is allowed for taxes paid to counties and municipalities on real estate in California. This tax is in lieu of all other taxes upon property, except county and municipal taxes on real estate, and except as otherwise provided in the State Constitution. Taxes are payable to the State Treasurer and one-half are due on the first Monday in July, and the remaining one-half on first Monday in February next thereafter. When, by the application of the retaliatory law, the amount of taxes is greater than that which would be collected by the application of the general law—(to wit, two per cent on premiums, less reinsurance and return premiums)—the retaliatory provision governs. A license tax, graded according to the amount of authorized capital stock, is payable annually to the Secretary of State, by corporations other than those exempt because of payment of the (2 per cent) percentage tax. Companies should file notice of exemption with Secretary of State. Licensed brokers pay tax of 3 per cent on premiums of unauthorized companies.

**TAX STATEMENTS**—Must be filed with Insurance Commissioner on or before March 1, annually, in addition to or in modification of regular annual statement. Tax statements of foreign companies shall be verified by manager residing in California.

**VALUED POLICY**—Sec. 2757. "Whenever the insured desires to have a valuation named in his policy, insuring any building or structure against fire, he may require such building or structure to be examined by the insurer, and the value of the insured's interest therein shall be thereupon fixed by the parties. The cost of such examination shall be paid for by the insured. A clause shall be inserted in such policy, stating substantially that the value of the insured's interest in such building or structure has been thus fixed. In the absence of any change increasing the risk without the consent of the insurer or of fraud on the part of the insured, then in case of a total loss under such policy, the whole amount so insured upon the insured's interest in such building or structure, as stated in the policy upon which the insurers have received a premium, shall be paid, and in case of a partial loss, the full amount of the partial loss shall be so paid, and in case there are two or more policies covering the insured's interest therein, each policy shall contribute pro rata to the payment of such whole or partial loss. But in no case shall the insurer be required to pay more than the amount

thus stated in such policy. This section shall not prevent the parties from stipulating in such policies concerning the repairing, rebuilding or replacing buildings or structures wholly or partially damaged or destroyed."

**COUNTY TAXES AND FEES.**

**COLUSA**—For each company, \$10, payable January 1.

**CONTRA COSTA**—For each company, \$15, payable annually.

**DEL NORTE**—For each company, \$10, and \$1 license fee, payable annually.

**MUNICIPAL TAXES AND FEES.**

(The right to collect municipal license fees is being tested in court.)

**ANGELO**—For each agent, \$3 per quarter, payable January 1, April 1, July 1, October 1.

**BLACK DIAMOND**—For each company, \$6 per annum.

**FORT BRAGG**—For each company, \$3, payable January 1.

**HOLLISTER**—For each agent, \$6, payable January 1.

**HUNTINGTON BEACH**—For each agent, \$1 per year, payable in June.

**MARTINEZ**—For each company, \$8, payable June 1.

**CALENDAR—CALIFORNIA**

On or before

<b>February</b>		(First Monday) One-half of 2 per cent tax for second preceding calendar year is due (first half having been due first Monday in preceding July).
<b>March</b>	1	Annual statement must be filed.
<b>March</b>	1	Tax statement must be filed with Insurance Commissioner.
<b>June</b>	1	Statement must be published.
<b>July</b>	1	Foreign companies' home office statement must be filed. Agents' licenses must be renewed. Companies' certificate of authority to be renewed. Bond covering tax payments to be filed. Foreign companies must file certification of deposit.
<b>Aug.</b>	2	(Second Monday) One-half of 2 per cent tax is due on first Monday in July; remaining one-half on first Monday in following February.

# CANADA

## DOMINION REQUIREMENTS.\*

**AGENTS DEFINED**—See “Agents’ Licenses.”

**AGENTS’ LICENSES**—“Everyone shall be guilty of an indictable offense who, within Canada, except on behalf of or as agent for a company, thereunto duly licensed by the Minister of Finance or on behalf of or as agent for or as a member of an association of individuals formed upon the plan known as Lloyd’s or of an association of persons formed for the purpose of inter-insurance and so licensed, solicits or accepts any insurance risk or issues or delivers any interim receipt or policy of insurance, or grants in consideration of any premium or payment any annuity on a life or lives or collects or receives any premium for or carries on any business of insurance or inspects any risk or adjusts any loss or prosecutes or maintains any suit, action or proceeding, or files any claim in insolvency relating to such business, or receives directly or indirectly any remuneration for doing any of the aforesaid acts. Anyone convicted of any such offense shall for a first offense be liable to a penalty of not more than \$50 nor less than \$20, and in default of payment, to imprisonment with or without hard labor for a term of not more than three months or less than one month, and for a second or any subsequent offense, to a penalty of not more than \$100 or less than \$50, and in addition thereto to imprisonment with hard labor for a period of not more than six months or less than three months.”

**ANNUAL STATEMENTS**—Annual statements of Canadian companies and statements of Canadian business of British and foreign companies must be deposited with the Insurance Department on or before March 1. Penalty for neglect to make annual statement, \$10 per day. Non-payment of fine involves suspension or revocation of license. No other statement required. British and foreign companies are also required to deposit properly verified copies of their home office statements. See “Foreign Companies’ Home Office Statements.”

**ANTI-COINSURANCE**—No provision. (See Standard Policy.)

**ANTI-COMPACT**—No provision.

**ANTI-DISCRIMINATION**—Rebating is strictly prohibited.

**ATTORNEY**—Must be appointed at the head office or chief agency of the company to accept service of legal process.

**CANCELLATION OF POLICY**—No provisions as to insured.

**CAPITAL REQUIRED**—No provisions as to domestic companies. In the case of foreign companies with large charter powers, the requirements for a license are as follows: Sec. 9. “Subject to the right of renewal of licenses granted previously to the eleventh day of August, one thousand

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\* The Insurance Act, 1917, 7-8 Geo. V., Cap. 29, came into effect September 20, 1917.

eight hundred and ninety-nine, a license shall not be granted to a company which is by its charter authorized or empowered to carry on classes or branches of insurance greater in number or variety than those for which a license could be granted under the provisions of the last preceding section: Provided, however, that any British or foreign company which has, on the basis prescribed by this act, a wholly unimpaired capital, shall, regardless of its greater corporate powers, upon complying with such conditions as may be required by the Treasury Board, and subject to the provisions of the last preceding section, be deemed eligible for such license."

Section 10. "The Treasury Board may, as a condition precedent to the issue of a license under the last preceding section, or to any renewal thereof, require the company to maintain assets, in Canada, as defined by subsection two of section twenty of this act, in excess of the amount which would be required if the company's charter powers were limited to the classes for which such license is sought, but such excess shall not exceed two hundred thousand dollars."

DEPOSIT—Sec. 14. "Every company carrying on the business of fire insurance shall, before the issue of such license, deposit with the Minister, in such securities as are hereinafter specified in that behalf, the sum of fifty thousand dollars." Sec. 15. "All such deposits and all other deposits required under the provisions of this act may be made by any company, —(a) in securities of or guaranteed by the Dominion of Canada, or in securities of or guaranteed by any province of Canada, or in securities of or guaranteed by the United Kingdom or any British colony; (b) if such company is incorporated in any foreign country, in securities of or guaranteed by the government of such country. 2. The value of such securities shall be estimated at their market value, not exceeding par at the time when they are deposited." Sec. 16. "If any other than the aforesaid securities are offered as a deposit they may be accepted at such valuation and on such conditions as the Treasury Board directs."

DOMESTIC COMPANIES—No general act under which companies may be incorporated by the Dominion Government. A form of model bill for the incorporation of companies is provided in Form F of the schedule to the Insurance Act, 1917.

EXAMINATIONS—The Superintendent shall visit personally, or cause a duly qualified member of his staff to visit the head office of each company in Canada at least once in every year and examine carefully the statements of the condition and affairs of each company, and report thereon to the Minister as to all matters requiring his attention and decision. If, after a careful examination into the condition and affairs and business of any company licensed to transact business in Canada, from the annual or other statements or for any other cause, deems it necessary and expedient to make a further examination into the affairs of such company, and so reports to the Minister, the Superintendent may be instructed by the



Minister to thoroughly inspect and examine into all its affairs, and to make all such further inquiries as are necessary to ascertain its condition and ability to meet its engagements, and whether it has complied with all the provisions of the insurance act applicable to its transactions.

**FEES**—The Superintendent is authorized to assess the companies in proportion to the gross premium receipts in Canada for the sum required for the expense of his office.

See "Provincial Fees and Requirements."

**FIRE DEPARTMENT TAX**—No provision.

**FIRE MARSHAL**—No provision.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—Must be filed within thirty days after it is required by law to be made to the government of the country in which the head office whose statement it is is situate, or within thirty days after the submission of the same at the annual meeting of the shareholders or members of the company, whichever date first occurs. Such statement, however, need not be deposited earlier than June 1, nor shall it be deposited later than June 30, covering preceding year ending December 31, or last fiscal year.

**IMPAIRMENT**—Any deficiency of assets as compared with liabilities in Canada, must be made good within sixty days after notice, or license will be revoked. In the case of a British and foreign company the assets in Canada are taken to consist of all deposits which the company has made with the Minister under the provisions of the Insurance Act.

**INVESTMENTS PRESCRIBED**—Companies within the legislative power of the Parliament of Canada may invest their funds or any portion thereof in the purchase of (a) The debentures, bonds, stocks or other securities of or guaranteed by the Government of the Dominion of Canada or of or guaranteed by the Government of any province of Canada; or of or guaranteed by the Government of the United Kingdom, or of any colony or dependency thereof; or of or guaranteed by the Government of any foreign country, or state forming a portion of such foreign country; or of any municipal or school corporation in Canada, or elsewhere where the company is carrying on business; or guaranteed by any municipal corporation in Canada; or secured by rates or taxes, levied under the authority of the government of any province of Canada on property situated in such province and collectible by the municipalities in which such property is situated; (b) 1. The bonds of any company which bonds are secured by a mortgage or hypothec to trustees or a trust corporation or otherwise, upon real estate or other assets, of such company; or, 2. The debentures or other evidences of indebtedness of any company, which has paid regular dividends on its preferred or on its common stocks for a term of at least five years immediately preceding the date of investment in such debentures or other evidences of indebtedness; or, (3) The preferred stocks of any company which has paid regular dividends upon such stocks or upon its common stocks for not less than five years

preceding the purchase of such preferred stocks, or the stocks of any company which are guaranteed by a company which has paid regular dividends upon its preferred or common stocks for not less than five years preceding the purchase of such guaranteed stocks. Provided that the amount of stocks so guaranteed is not in excess of fifty per cent of the amount of the preferred or common stocks, as the case may be, of the guaranteeing company; or, 4. The common stocks of any company or corporation upon which regular dividends of at least four per cent per annum have been paid for the seven years next preceding the purchase of such stocks: Provided that not more than thirty per cent of the common stocks and not more than thirty per cent of the total issue of the stocks of any company shall be purchased by any such insurance company, and that no company shall be permitted to invest in or lend its funds on the security of its own shares or the shares of any other company transacting or authorized by its charter to transact, any class of insurance business which such company transacts, or is authorized by its charter to transact; or, (c) Ground rents, mortgages or hypothecs on real estate in Canada, or elsewhere where the company is carrying on its business, provided that the amount paid for any such mortgage or hypothec shall in no case exceed sixty per cent of the value of the real estate covered thereby. Companies may lend their funds or any portion thereof on any of the stocks, bonds, debentures or securities above mentioned or on real estate or leaseholds for a term of years or other estate or interest therein in Canada or elsewhere where the company is carrying on business, provided that the amount loaned on the security thereof shall not exceed the amount which might be invested therein as above authorized and provided, also, that no such loan shall exceed sixty per cent. of the value of the real estate or interest therein which forms the security for such loan, but this proviso shall not be deemed to prohibit a company from accepting as part payment for real estate sold by it a mortgage or hypothec thereon for more than sixty per cent of the sale price of such real estate. Companies may take any additional securities of any nature to further secure the repayment of any liability thereto, or to further secure the sufficiency of any of the securities in or upon which such company is hereby authorized to invest or lend of its funds.

LICENSES—4. (1) "It shall be competent to the Minister to grant to any company which shall have complied with the requirements of this act preliminary to the granting of a license, a license authorizing the company to carry on its business of insurance, or any specified part thereof, subject to the provisions of this act and to the terms of the license; (a) in the case of any Canadian company or any foreign company, throughout Canada or in any part of Canada which may be specified in the license; (b) in the case of any other company, throughout Canada or in any part of Canada comprising more than one province which may be specified in the license. (2) Any company other than a Canadian company which may obtain from

the Minister a license or a renewal of a license shall thereupon and thereby become and be and be deemed to be a company incorporated under the laws of Canada with power to carry on throughout Canada, or in such part or parts of Canada as may be specified in the license, the various branches or kinds of insurance which the license may authorize. (3) It shall moreover be competent to the Minister, notwithstanding anything in this act, to grant a license to any association of individuals formed upon the plan known as Lloyds whereby each associate underwriter becomes liable for a stated, limited or proportionate part of the whole amount insured by a policy, or by any association of persons formed for the purpose of exchanging reciprocal contracts of indemnity upon the plan known as inter-insurance, authorizing such association to transact insurance other than life insurance in Canada in like manner and upon the same terms and conditions as in the case of a company, and all the provisions and requirements of this act regulating the business of licensed companies shall, so far as applicable, be deemed to be terms and conditions of any license so granted: Provided that the statements required by this act to be filed in the Department may, in the case of such an association, be verified in such manner as the Superintendent shall direct and prescribe. (4) The Minister may grant to a provincial company which has the faculty or capacity to carry on its business throughout Canada and to obtain the license hereinafter mentioned, and has complied with the provisions of this act in that behalf applicable to a Canadian company, a license authorizing the company to carry on its said business or any part thereof throughout Canada, or in any part or parts of Canada comprising more than one province which may be specified in the license, and the company shall thereupon and thereby become and be and be deemed to be a company incorporated under the laws of Canada with power to carry on within the area specified in the license its said business or such part thereof as the license may authorize." Licenses expire March 31.

**LICENSED BROKERS**—(See "Unlicensed Insurance.")

**LIMIT ON SINGLE RISK**—No provision.

**LLOYDS**—May be licensed on same terms and conditions as insurance companies.

**MARINE INSURANCE REQUIREMENTS**—In general, provisions applying to fire insurance apply also to other classes except life (and reserve of title companies).

**MUTUAL COMPANIES**—No provision.

**PRELIMINARY DOCUMENTS**—To be filed with the Insurance Department: Copy of charter, act of incorporation, or articles of association, certified by officer in charge of the original; power of attorney from the company to its chief agent in Canada; statement of condition at end of preceding year. Duplicate copies to be filed in the office of the Superior Court of the Province, where the head office or agency is located, or if the agency is in the province of Quebec, with the Prothonotary of the district

in which the chief agency or head office is situated. Penalty for doing business without a license, fine and imprisonment. Annual certificates of compliance with laws of home State not required. The company's charter, act of incorporation or articles of association, and power of attorney to chief agent, need be filed but once, except in event of a change in representation.

**PUBLICATION**—Sec. 27. "Every company, on first obtaining such license, shall forthwith give due notice thereof in The Canada Gazette, and in at least one newspaper in the county, city or place where the head office or agency is established, and shall continue the publication thereof for the space of four weeks."

**RECIPROCAL LAW**—None.

**REINSURANCE**—No law explicitly forbidding reinsurance in unauthorized companies, but reinsurances in unlicensed companies are, as a matter of practice, disallowed.

**REINSURANCE RESERVE**—For all companies, eighty per cent of the unearned portion of premiums computed pro rata as at date of statement, but for the purpose of ascertaining the deposit required to be made with the Minister to cover the liabilities in the case of foreign companies the full unearned premiums computed pro rata. No fire policy can be issued for more than three years. British and foreign companies writing hail insurance must maintain assets, over liabilities, equal to at least 50 per cent of previous year's hail premiums. Canadian companies are required to set aside each year as a hail insurance surplus fund at least 50 per cent of the profit realized during the year from such business until, and so that the said surplus fund in any year shall not be less than fifty per cent of the net hail premiums received during the preceding calendar year.

**RESIDENT AGENTS**—Each company must have a resident chief agent.

**SEMI-ANNUAL STATEMENTS**—Not required, except as to movement of securities.

**STANDARD POLICY**—No provision. No policy may be issued for a period longer than three years.

**TAXES**—Towards defraying the expenses of the Insurance Department of Canada, every company under its supervision is required to contribute annually a sum in proportion to the gross premiums received by it in Canada during the preceding year. War tax, 25 per cent of net profits exceeding 7 per cent, but not exceeding 15 per cent of capital and surplus, 50 per cent of profits exceeding 15 per cent, but not exceeding 20 per cent of capital and surplus, and 75 per cent of profits exceeding 20 per cent of capital and surplus, which latter, for a non-Canadian company, is deemed to be such portion of its paid-up capital and surplus as shall bear the same proportion to its entire paid-up capital and surplus as the value of its assets in Canada bears to the value of its total assets. Under the Special War Revenue Act, 1915, companies are required to pay 1 per cent of the premiums received by them in cash. These payments are deducted from the

amount payable on war tax on profits above described. Under the Income War Tax Act, 1917, companies are required to pay a tax of 4 per cent on annual profits in excess of \$3000, but such payments are also to be deducted from war tax on profits above described. (See Provincial Requirements.)

**TAX STATEMENTS**—No provision. (See "Provincial Requirements.")

**UNLICENSED INSURANCE**—Section 129 permits any person to insure his property in British or foreign unlicensed fire insurance companies, provided such insurance is offered outside of Canada and without solicitation on the part of the company. A statement of all such insurance effected must be filed yearly with the superintendent by the insured. Advertisement of business and maintenance of an agency in Canada by such companies are forbidden.

**VALUED POLICY**—No requirement.

#### On or before **CALENDAR—DOMINION OF CANADA**

**March 1** Annual statements of Canadian companies and statements of Canadian business of foreign companies must be filed.

**March 31** Companies must secure renewal of licenses.

**June 1** Home office statements of foreign companies must be filed except in the case of companies whose annual meeting of shareholders is less than 30 days previous to June 1. Such companies are allowed such 30 days not extending, however, beyond June 30.

### **PROVINCIAL REQUIREMENTS**

#### **ALBERTA**

**AGENTS DEFINED**—"Any person who undertakes or assists or aids another to undertake insurance" (also includes broker).

**AGENTS' LICENSES**—Each agent must secure from the Superintendent of Insurance certificate of authority which expires February 15. Licenses may be revoked for any violation of law.

**ANNUAL STATEMENT**—Must be filed with the Superintendent on or before April 1. Statements of business of underwriters' agencies must be made by parent company.

**ANTI-COINSURANCE**—If policies contain coinsurance clauses they must be so marked in red ink.

**ANTI-DISCRIMINATION**—Rebating or discrimination is prohibited.

**ATTORNEY**—The company must file copy of power of attorney to a resident of Alberta, together with his consent to act. (Amend. of 1918.)

**CANCELLATION**—A mortgagee to whom a policy is made payable must be notified in case of cancellation.

**CAPITAL REQUIRED**—For fire or fire and inland marine company: Authorized, \$500,000; subscribed, \$200,000; paid up, \$25,000; for inland marine or transportation insurance company: authorized, \$100,000; subscribed, \$50,000; paid up, \$10,000. (Act of April 17, 1915.)

**DEPOSIT**—If amount at risk does not exceed \$1,500,000, Provincial company deposits \$10,000 with the Treasurer, and Canadian or foreign company \$20,000; additional deposits by Canadian or foreign companies, \$10,000 for each additional \$1,500,000 of risks; Provincial companies, \$200 for every additional \$100,000 of risks or fraction thereof. Provincial mutual or cash mutual companies, if insuring mercantile or manufacturing risks, deposit \$5000. Every foreign mutual fire or fire and inland marine company insuring mercantile and manufacturing risks shall keep on deposit with the treasurer \$10,000, but a foreign mutual fire insurance company not insuring mercantile and manufacturing risks shall keep on deposit with the treasurer \$5000. (Act of April 17, 1915.) Foreign mutual hail insurance companies must deposit \$20,000 and two per cent of premiums or assessments of previous year (until \$15,000 is reached) with Provincial Treasurer; Provincial mutual, \$5000.

**EXAMINATIONS**—Whenever deemed expedient, Lieutenant-Governor in Council may appoint examiners to investigate any company. It is also the duty of the superintendent of insurance to examine companies from time to time, and those not Dominion licensees at least once every year. A company found unsound must be reported to the Treasurer.

**FEES**—(Chap. 8, Act of April 17, 1915.) Payable to Superintendent. For recording and filing documents required by Sec. 9 (see "Preliminary Documents"), \$10, on commencing business or on January 1, yearly; for annual license or certificate of registration, or renewal, \$300 for company transacting fire, storm, cyclone, tornado, inland marine, inland transportation and sprinkler leakage insurance (mutual company, \$50; Provincial mutual, \$50; underwriters agency, \$100), for company transacting one or more of following classes, \$50 plate glass, automobile, guarantee, burglary, steam boiler, storm, cyclone, tornado, inland marine, inland transportation and sprinkler leakage insurance. Less if company begins business after July 1. Penalty of 50 per cent if not paid within 60 days. Cost for publication of license in the Alberta Gazette, \$2.30. Penalty for conducting business without being registered, \$20 to \$200, or imprisonment not exceeding 3 months. Fees for agents' licenses in cities, \$25; in towns, \$7; in villages, \$3 (less if issued after August 31).

**FIRE MARSHAL**—Chap. 23, Laws of 1916, provides for a Fire Commissioner to enforce the "Fire Prevention Act."

**GENERAL PENALTY**—Fine of \$20 to \$200 and costs, or imprisonment not exceeding three months for each offense.

**IMPAIRMENT**—If liabilities in Alberta (including reserve) exceed assets in Alberta (including deposit), company must make good deficiency or lose its license. (Act of April 17, 1915, Sec. 28.) See "Reinsurance Reserve." Company's license will be revoked if impairment equals 20 per cent of unearned premiums.

**MARINE INSURANCE REQUIREMENTS**—Same as for fire insurance.

**MISCELLANEOUS**—A foreign company to secure corporate rights must show that it has been in business successfully for five years. An under-

writers' agency must secure a license and the parent company must be licensed. Contracts must not be for a period longer than three years (on mercantile and manufacturing risks, one year). Any term or stipulation, held by a judge to be unjust or unreasonable, shall not be binding. All insuring documents must have plain inscription across face of policy, "registered under the Alberta Insurance Act." Technical defenses are barred. Hail companies make weekly reports of losses, and a preliminary statement of the year's business about October 15. Premiums collected by agents are fiduciary funds.

**MUNICIPAL TAXES AND FEES**—Registered companies exempt.

**PENALTIES**—For representing an unauthorized company, fine of \$200; for failing to file annual statement when due, \$200, and \$100 for each month's delinquency; for omitting inscription as to authorization, \$25 for each violation; for making false entries, fine of not exceeding \$50 or not exceeding 6 months' imprisonment.

**PRELIMINARY DOCUMENTS**—Before registration a company must file with the Superintendent a verified copy of its act of incorporation or articles of association and of its Dominion license, if any; a copy of its last annual statement (from companies not licensed under the Insurance Act of Canada), and a power of attorney to a resident of the Province, with certified copy of his consent to act. (Act of April 13, 1918.)

**PUBLICATION**—The certificate of registration must be published in two issues of the Alberta Gazette and in at least one newspaper in Edmonton, once each week for four weeks. Annual statement must be published before April 15 in a daily newspaper in the Province, and proof of publication filed with the Superintendent by May 5.

**REGISTRATION**—Every company must be registered in accordance with law. Companies holding Dominion licenses are granted a certificate of registration. Provincial companies, not holding a Dominion license, may obtain Provincial license by conforming with the requirements of the Alberta Insurance Act. Any unregistered company or representative thereof, carrying on business in Alberta is liable to a fine of \$20 to \$200, or imprisonment not exceeding 3 months. Licenses expire December 31.

**REINSURANCE**—No prohibition of reinsurance in unregistered companies, but credit in reporting premiums for taxation is only allowed for reinsurances in registered companies.

**REINSURANCE RESERVE**—Act of April 17, 1915, requires that a company other than a Dominion licensee must "at all times maintain assets in the Province at least equal in value to the total of the unearned premiums upon all outstanding unmatured policies upon property in the Province, calculated pro rata for the times unexpired, together with the amount of matured claims for losses in the Province, and all its other liabilities of every kind in the Province."

**RESIDENT AGENTS**—Every policy must be approved by a licensed resident agent, who must receive the commission, or some part thereof, when the

premium is paid (railroad rolling stock and property in transit excepted). Agents are forbidden to sign blank policies. Penalty for violation, \$20 to \$200, or imprisonment not exceeding 3 months for each policy.

**STANDARD POLICY**—Chap. 8, Act of April 17, 1915, prescribes a schedule of statutory conditions to be embraced in fire insurance policies and not to be varied unless prominent notice in red ink of variations is given. Policies, receipts, etc., must bear inscription indicating that company is licensed or registered.

**TAXES**—A tax of one per cent is imposed on gross premiums received for insurance on property located in Alberta, less return premiums and reinsurance premiums paid to registered companies. If the company has loaned out or invested in Alberta \$50,000 or more, the tax shall be one per cent on gross premiums and one-quarter of one per cent on the income from investments received by such company in respect of the business transacted in the Province during the preceding year, but money lent upon bonds or debentures issued by the Government of the Province of Alberta is exempt from taxation. The taxes are due and payable to the Provincial Secretary on or before June 30. Persons placing insurance in unauthorized companies must report same and pay tax of fifty per cent on amount of premiums paid. (Section 88, Chapter 8, Act of April 17, 1915.) Companies must pay to the Provincial Treasurer, in March, a tax of one-third of one per cent upon the companies' net fire premiums for the Fire Commissioner's Office.

**TAX STATEMENTS**—Must be filed on or before June 30 with the Provincial Secretary. Penalty for understating amount to be taxed, addition of fifty per cent to amount of tax, and license may be revoked at discretion of Secretary.

On or before

#### CALENDAR—ALBERTA

Feb. 15	Agents' licenses must be secured.
March 31	Fire Commissioner's tax is payable.
April 1	Annual statement must be filed.
April 15	Annual statement must be published.
June 30	Premium tax payable to the Provincial Secretary. Tax statement must be filed with Provincial Secretary.

#### BRITISH COLUMBIA.

**ANNUAL STATEMENTS**—Must be filed on January 1 or within two months thereafter with the Superintendent of Insurance, at Victoria, on form supplied by him.

**ATTORNEY**—A resident attorney must be appointed to accept service of notices and legal process.

**DEPOSIT**—An initial deposit of not less than \$20,000 is required. Deposit not required of company holding a Dominion license.

**DOMESTIC COMPANIES**—Stock companies are incorporated by special act of the Legislature. (See "Mutual Companies.")

**FEES**—A license fee of \$250 is charged once. Fee for filing documents on



application for license, \$5. Publication of notice of license in British Columbia Gazette, \$5. Renewal of license, \$5. License to adjust when property is insured in an unlicensed company, \$10. License to inspect risk insured in unlicensed company, \$10. Fee for filing annual statement, \$1.

**FIRE MARSHAL**—Provincial Superintendent is authorized to investigate fires. Municipal officials, chiefs of fire departments and the insurance companies, report fires to superintendent.

**LLOYDS**—See "Unlicensed Insurance."

**MUTUAL COMPANIES**—A mutual company to insure rural subjects may be organized by thirty persons, representing \$60,000 or more of risks.

**PRELIMINARY DOCUMENTS**—Company must file with Superintendent of Insurance application for license; charter or by-laws, etc.; affidavit that company applying is in existence and is legally authorized to transact business under its charter; statement of location of head office and of head office or chief agency in the Province; power of attorney to a resident at its head office in the Province; statement of affairs and auditor's report thereon up to the last balancing day. Applications must be made only on forms supplied by department. Marine companies are licensed under the Insurance Act.

**RECIPROCAL INSURANCE**—See "Unlicensed Insurance."

**REINSURANCE**—No law explicitly forbidding reinsurance in unlicensed companies, but reinsurances in unlicensed companies are, as a matter of practice, disallowed.

**RESIDENT AGENTS**—Every policy must be signed or countersigned by a resident agent as defined by this Act.

**STANDARD POLICY**—Uniform policy conditions are prescribed.

**TAXES**—There is a tax of two per cent on net premiums from fire insurance, payable to the Superintendent of Insurance before June 30, and a tax of two per cent on income from other sources, payable to the Assessor of Victoria Assessment District before June 30.

**TAX STATEMENTS**—Showing premiums, form part of annual statements to Superintendent of Insurance; showing other income, must be filed on or before September 1, yearly, with the Assessor of Victoria Assessment District, Victoria.

**UNLICENSED INSURANCE**—Similar provision to that under Canada, but insured reports such insurance to Superintendent of Insurance and pays tax of 2 per cent on premiums payable to unlicensed insurers. Law prohibits unlicensed companies or underwriters maintaining an office or agency or soliciting or advertising in the Province. Penalty for acting as agent for an unlicensed company. Licenses to adjust and inspect required. (See Fees.)

On or before

#### **CALENDAR—BRITISH COLUMBIA**

March 1 Annual statements must be filed.

June 30 Premium tax payable to Superintendent of Insurance. Income

- tax payable to Assessor of Victoria Assessment District.
- Sept. 1 Statement of other income to be filed with Assessor of Victoria Assessment District.

### MANITOBA

**AGENTS DEFINED**—Section 2 (*dd*). The expression “agent” means an acknowledged agent, sub-agent, or any person, firm or corporation who shall in any manner transact the business of insurance by negotiating for or placing risks, canvassing or soliciting insurance except the officers and bona-fide salaried employees of a company who are not solicitors and who do not receive commissions or salaries in lieu of commissions.

**AGENTS' LICENSES**—Agents must procure license from the Superintendent of Insurance (licenses expire May 31). An underwriters' agency must file a separate return. Classification of business required with annual statement before April 1.

**ANNUAL STATEMENTS**—Must be filed with Superintendent of Insurance by Provincial companies by March 1, and by Dominion licensees by April 1.

**ANTI-COINSURANCE**—Policy containing a coinsurance clause must be so marked in red ink.

**ANTI-COMPACT**—No provision.

**ATTORNEY**—The Inspector of Insurance must be appointed by each company not incorporated or having its head office within the Province, and by each underwriter's agency.

**CANCELLATION OF POLICY**—Provision is made for five-day cancellation notice when served personally, and fifteen days' notice if sent by mail.

**CAPITAL REQUIRED**—Authorized, \$500,000; subscribed, \$200,000; paid up, \$50,000.

**DEPOSIT**—If risks in force do not exceed \$1,500,000, domestic companies, \$10,000; Canadian or foreign companies, \$20,000; cash or securities. If risks exceed \$1,500,000, Provincial companies deposit \$200 for each additional \$100,000 or fraction, and Canadian and foreign companies deposit \$5000 for each additional \$1,500,000 or fraction. Mutual companies (except those incorporated before March 2, 1894) deposit \$5000. (Not required of Dominion licenses.) Securities of the Dominion of Canada or any Province thereof, shall be accepted at market value. Funds must be maintained in the Province equal to the unearned premiums on risks located therein and all other liabilities therein. (This does not apply to a company holding a Dominion license.)

**DOMESTIC COMPANIES**—Every company which takes out and holds a license from the Provincial Treasurer (which is required of all companies except those holding Dominion licenses) is deemed to be a company incorporated by an Act of the Legislature of the Province of Manitoba.

**EXAMINATIONS**—The Lieutenant-Governor-in-Council may, whenever he deems it expedient, appoint persons to examine companies, and may ap-

point an Inspector of Insurance to examine into and report to the Provincial Treasurer upon all matters connected with insurance. The Inspector must personally, or by deputy, visit the head or chief office in Manitoba of all licensed companies at least once each year, and examine into and report upon its affairs. A sum not exceeding \$3000 shall be annually contributed by the companies required to be inspected, towards defraying the expenses of the office of inspector; to be assessed pro rata and based on gross annual premium income.

**FEES**—Under the Manitoba Insurance Act: Recording and filing original papers, etc., \$5; for initial license to do business, or renewal thereof, Provincial company, \$100; Provincial mutual fire company, \$50; inland marine company, \$25; any other company, \$200 (proportionate abatement if taken out later than April); for each underwriters' agency, \$100. Annual fee of \$5 to Inspector of Insurance for service as attorney. Companies transacting insurance business only, secure licenses, etc., from the Provincial Treasurer. Companies operating in Manitoba shall contribute not exceeding \$3000 per annum, in proportion to their respective premium incomes, toward defraying the expenses of the office of Inspector of Insurance. Licensed broker, \$25. Agents' licenses: In cities, \$20; in towns, \$5; in villages, \$3; mutual companies, \$2.

**FIRE DEPARTMENT TAX**—No provision.

**FIRE MARSHAL**—Provision is made for investigation of fires.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS** — Not specified.

**IMPAIRMENT**—Not permitted. If deficiency equals or exceeds 20 per cent of unearned premiums, company's license will be canceled. (This latter does not apply to a company holding a Dominion license.)

**INVESTMENTS PRESCRIBED**—No provision.

**LICENSED BROKERS**—Brokers may be licensed to procure insurance in unauthorized companies for parties unable to obtain sufficient insurance in licensed companies.

**LICENSES**—All companies operating in Manitoba must procure provincial licenses or registration, and all policies, receipts, etc., must state that the company is registered or licensed under the Manitoba Insurance Act. Insuring in an unlicensed company is a violation of law, except that when sufficient insurance cannot be obtained in licensed companies the excess may be placed in unlicensed companies through a special broker accompanied by an affidavit that sufficient insurance could not be procured in licensed or registered companies; if procured in unlicensed companies except through a special broker, a statement of the facts, together with fifty per cent upon such premiums, shall be respectively filed with and paid to the Provincial Treasurer. Underwriters' agencies must be licensed.

**LIMIT ON A SINGLE RISK**—None prescribed.

**LLOYDS**—No provision.

**MISCELLANEOUS**—Delivery of a policy or receipt is deemed conclusive

evidence of payment of premium in an action to recover for a fire loss. All policies or insuring documents must bear the inscription across their faces, "Licensed under the Manitoba Insurance Act," or "Registered under the Manitoba Insurance Act." Penalty for false stamping, \$200 for each offense. Underwriters' agencies are prohibited unless a permit has been granted, and must issue policies bearing only the name of parent company.

**MUTUAL COMPANIES**—A mutual company may be formed by thirty persons representing \$50,000 or more of insurance.

**PRELIMINARY DOCUMENTS**—Company must file copy of act of incorporation, power of attorney, latest financial statement, receipts, etc.

**PUBLICATION**—Each company obtaining a license must advertise the fact by four insertions in The Manitoba Gazette, and at least one newspaper in the municipality where the principal agent in the Province is located. The company is also required to thus give notice when it ceases business in the Province.

**RECIPROCAL LAW**—With regard to agents' certificates of authority, with Ontario, Quebec and Saskatchewan.

**REINSURANCE RESERVE**—To be computed on Dominion Government standard.

**RESIDENT AGENTS**—Must approve all policies and receive commissions, except on railroad rolling stock and property in transit. Agents must not sign blank policies.

**SEMI-ANNUAL STATEMENTS**—Not required.

**STANDARD POLICY**—Statutory conditions are required to be printed upon and to form a part of each fire insurance policy; but their effect may be altered by clauses printed in red ink, if such alterations are just and reasonable. Material misrepresentations only void policy. Contracts shall not exceed the term of three years.

**TAXES**—Tax on gross premiums (including business placed through licensed brokers, but not including reinsurances), less amount paid to Superintendent of Insurance: On premiums 2 per cent. Also one-quarter of one per cent on income from investments in Manitoba, if they exceed \$25,000. Fifty per cent upon premiums paid to unlicensed companies, other than upon those risks placed by licensed brokers, or without permission of the Provincial Treasurer or Lieutenant-General-in-Council, shall be paid to Provincial Treasurer. These taxes are reduced by amounts paid under the provisions of the Manitoba Insurance Act.

**TAX STATEMENTS**—Must be filed with Deputy Provincial Treasurer on or before April 1.

**VALUED POLICY**—No provision.

On or before

#### CALENDAR—MANITOBA

March	1	Annual statement must be filed by Provincial company.
April	1	Annual statement must be filed by Dominion licensee. Tax statement must be filed.
May	31	Agents' licenses must be secured.

**NEW BRUNSWICK.**

**AGENTS' LICENSES**—Special or traveling agents or brokers soliciting insurance and not residing in the Province, nor having resided in the Province during the preceding twelve months, are required to pay an annual tax or license fee of \$100 to the Provincial Secretary-Treasurer. Penalty for violation, \$100 and \$10 additional for every day engaged in such business. All agents must procure licenses, which expire October 1.

**ANNUAL STATEMENTS**—To be filed with Provincial Secretary-Treasurer on or before April 1, and must embrace a list of agents. No filing fee. Penalty for non-compliance, \$10 per day.

**ATTORNEY**—Service may be made upon any agent of a company who has acted as such agent within twelve months prior to the laying of the information.

**RESIDENT AGENTS**—All policies must be signed by resident agents under penalty of \$200 to \$500 for each policy not so issued. The name of a company's general agent who alone is authorized to sign or countersign policies, or if the company has no general agent in the Province the names of all agents having authority to sign or countersign policies for the company must be filed with the Provincial Secretary-Treasurer. Any person adjusting or appraising a loss under a policy not signed or countersigned by a resident agent is liable to a fine of \$100 to \$200.

**STANDARD POLICY**—Certain conditions, prescribed by law, are deemed to be a part of every insurance contract.

**TAXES**—There is a tax of two per cent on net premiums received upon business within the Province, payable June 1, to Provincial Secretary-Treasurer. For companies holding a Dominion license the minimum tax shall be \$100, for companies holding a provincial license the minimum shall be \$25. Insurance on risks protected by automatic sprinklers is exempt. Non-resident special or traveling agent or broker pays tax of \$100.

**TAX STATEMENTS**—Must be filed May 1 with Provincial Secretary-Treasurer, under penalty of \$10 per day.

On or before **CALENDAR—NEW BRUNSWICK**

April 1 Annual statement must be filed.

May 1 Tax statement must be filed.

June 1 Premium tax is payable.

**NOVA SCOTIA**

**ANNUAL STATEMENTS**—Statement must be filed on entering, and annually in January, showing capital, officers, etc., under penalty of \$10 per day.

**AGENT**—A resident agent must be appointed, and his name and address filed with Registrar of Joint Stock Companies, Halifax.

**AGENTS' LICENSES**—All agents must procure a license which shall expire October 1. Misrepresentation and twisting is forbidden. License may be procured by non-resident agent.

**FEES**—Agents' license in cities \$10; in towns, \$5; elsewhere, \$2; non-resident agent, \$50; license for non-resident general agent or district manager whose territory includes Nova Scotia, \$10.

**FIRE MARSHAL**—A law of 1919 provides for the appointment of a Fire Marshal, whose duties shall include fire prevention and protection work and prosecution of those responsible for fires.

**MISCELLANEOUS**—No company to which the provisions of the Dominion Insurance Act are applicable may operate in the Province unless it has complied with that act. Laws apply to marine as well as fire companies.

**STANDARD POLICY**—Statutory conditions are required to be printed upon and to form a part of each fire insurance policy; but their effect may be altered by clauses printed in different colored ink, if such alterations are just and reasonable. Material misrepresentations only void policy.

**TAXES**—A tax of two per cent on gross premiums, less sums repaid as returned premiums, on cancellation of policies, and less reinsurance premiums paid to licensed companies, is payable annually to the Provincial Treasurer by June 1; minimum tax, \$100. Fire Marshal tax of one-half of one per cent is levied upon all companies, both stock and mutual.

**TAX STATEMENTS**—Must be filed on or before April 1 with Provincial Treasurer.

On or before

#### CALENDAR—NOVA SCOTIA

Jan. 31 Annual statement by agent must be filed and annual fee paid.  
 April 1 Tax statement must be filed under supplementary revenue act.  
 June 1 Premium tax is payable, under supplementary revenue act.

#### ONTARIO

**AGENTS DEFINED**—(Ins. Act 99a)—“(1) The word ‘agent’ in this section shall include an acknowledged agent, sub-agent or any person who shall in any manner transact the business of insurance by negotiating for, or placing risks, or delivering policies, or collecting premiums, but shall not include the officers and salaried employees of any company who do not receive commissions.”

**ATTORNEY**—A resident attorney must be appointed.

**AGENTS' LICENSES**—(Ins. Act, Sec. 99a)—“(1) No agent shall act for any company in Ontario unless he has fully complied with the provisions of this section and has procured an agent's certificate of authority from the Superintendent of Insurance to do the class of insurance which that company is licensed or registered to do in the Province.” Licenses expire September 30. Penalty for violation, fine of \$20 to \$200.

**ANNUAL STATEMENTS**—To be delivered on or before February 1, annually, with statement fee of \$5 in the case of stock or cash-mutual companies. This statement is the only one required.

**ANTI-COINSURANCE**—Coinsurance permitted if “this policy contains a co-insurance clause” printed in red ink on policy.

**ATTORNEY**—A resident attorney must be appointed.

**BROKERS' LICENSES**—The Ontario Insurance Act, R. S. O., 1914, C. 183, provides for the licensing of insurance brokers; fee, \$25. They may insure in unregistered companies approved by Minister. A bond of \$5000 is required.

**CAPITAL**—A domestic company must have a capital stock of at least \$500,000, of which at least \$300,000 must be subscribed and \$30,000 paid in. An automobile insurance company may be formed with \$100,000 minimum authorized capital (at least \$20,000 paid in) to write all classes of automobile risks.

**DEPOSIT**—An outside stock company having \$2,000,000 or less of insurance in force must deposit \$50,000. Deposit increases \$5000 for every \$1,000,000 or fraction thereof of risks in force until twice the initial deposit; then increasing \$2000 for each \$1,000,000 of risks. Provincial or Canadian stock company, initial deposit, \$25,000. Company holding Dominion license may withdraw deposit.

**DOMESTIC COMPANIES**—Five or more persons may secure a charter from Lieutenant-Governor on the recommendation of the Superintendent, after advertising notice of its intention and complying with the other provisions of the law.

**EXAMINATIONS**—Domestic companies must be examined yearly. Other companies may be examined at the discretion of the superintendent, and the expense of such examination, not to exceed \$5 per day and traveling expenses, must be borne by the companies examined.

**FEES**—All companies must be registered by Superintendent of Insurance of Province under penalty of fine for first offense and imprisonment for subsequent offenses. Fees are payable to Superintendent of Insurance. For each agent's license, \$3. Fees payable by companies holding Dominion licenses: Application for initial registry, \$5; extension of time for making application or delivering documents, \$2; filing power of attorney, in case of extra-provincial corporations, \$5; filing change of power of attorney, \$5; certificate of registry, original or renewed, \$200 (on or before April 30); interim certificate of registry, or extension of certificate, \$5; revivor of registry after suspension, \$25; certificate of registry for inland or ocean marine insurance, \$10. Fees payable by Provincial companies: For examining and passing upon applications or documents under Sections 9, 21, 27, 51 and 161, \$10; for filing power of attorney under Section 81, \$5; application for change of name or of head office, \$10; for initial license to do business, joint stock company, \$100; cash mutual company, \$50; mutual company, \$25; for each annual renewal of license, joint stock company, \$50; cash mutual company, \$25; mutual company, \$5, for each supplementary license, initial, \$20; renewal, \$10; for filing annual statements (joint stock and cash mutual companies), \$5. Insurance brokers, \$25; \$5,000 is assessed on mutual companies.

**FIRE MARSHAL**—Provision is made for a fire marshal. A new law was enacted in 1915.

**LICENSES**—Every company must be registered to transact business in Ontario. Failure to register makes the agent placing a risk liable to heavy penalties.

**MARINE INSURANCE REQUIREMENTS**—The only charge made to marine companies is \$10 per year; the same application fee (\$5) and power of attorney fee (\$5) are charged, but the annual amount is \$10.

**MISCELLANEOUS**—Underwriter's agency must procure a license, and its guaranteeing companies must be licensed.

**MUTUAL COMPANIES**—Mutual companies may be formed with one hundred members subscribing for \$250,000 or more of insurance. Sec. 150, R. S. O., 1914, C. 183: "(1) A registered cash-mutual fire insurance company may effect insurance upon the cash-premium plan, for a period not exceeding three years, on farm and other non-hazardous property, and for one year or less on any other class of property, but the amount of premiums received on cash insurances in any one calendar year shall not exceed four times the amount which the company has then on deposit with the Minister. (2) If at any time the amount of such premiums exceeds the amount authorized by subsection 1, the company shall at once increase its deposit to an amount sufficient to warrant the excess, and in default the Minister may suspend or cancel its license. (3) All the property and assets of the company, including premium notes, shall be liable for all losses under contracts of insurance for cash premiums."

**RECIPROCAL LAW**—Reciprocal provision applies to taxes and license fees.

**REINSURANCE**—Not prohibited in unregistered companies, but original writing company is liable for tax.

**RESIDENT AGENTS**—All business must be written through licensed agents.

**STANDARD POLICY**—"Statutory Conditions" are required to be printed upon and to form a part of each fire insurance policy; but the effect of these may be altered by clauses printed in different colored ink, if held by the court to be just and reasonable. Material misrepresentations only void policy. Policy may be canceled on seven days' notice.

**TAXES**—There is a tax of one per cent on gross premiums, payable by all fire insurance companies except purely mutual domestic fire insurance companies. Fire marshal tax, one-third of one per cent on premiums.

**TAX STATEMENTS**—Must be filed with the Treasury Department on or before April 1.

On or before

#### CALENDAR—ONTARIO

Feb.	1	Annual statement must be filed.
April	1	Tax statement must be filed.
April	30	Certificate of registry must be secured or renewed.
Sept.	30	Agents' licenses must be secured.



**PRINCE EDWARD ISLAND.**

**ANNUAL STATEMENTS**—Every company transacting business in Prince Edward Island, whether foreign or otherwise, liable to taxation under "The Companies' Tax Act," under penalty of \$10 for each day in default, must before beginning business in Prince Edward Island, and annually each year thereafter on April 1, file with the Provincial Treasurer a copy of the license received from the Dominion Government.

**MARINE INSURANCE**—Marine insurance companies are not taxed by the Provincial Government, and no statement nor copy of Dominion license is required.

**TAXES**—The Provincial Government imposes an annual tax of \$150 on each fire insurance company, whose principal office or organization is not within the Province, transacting business within the Province, which tax is payable semi-annually, on June 1 and December 1, to the Provincial Secretary. Similar tax is payable by an underwriters' agency or subsidiary company. An additional war tax of one-third the annual tax is now required. A Provincial company pays \$75 (except mutual companies). Proportionate tax on company entering to June 1 or December 1 following.

On or before      **CALENDAR—PRINCE EDWARD ISLAND**

April 1      Copy of Dominion Government license must be filed.  
 June 1      Tax is payable.  
 Dec. 1      Tax is payable.

**QUEBEC**

**AGENT DEFINED**—Law of December 22, 1916, (6960-13a). "The word 'agent' in this section shall include an acknowledged agent, sub-agent or broker, or any person, firm or corporation who shall in any manner transact the business of insurance by negotiating for or placing risks or delivering policies, or collecting premiums, but shall not include the salaried employees of any company who do not receive commissions \* \* \*."

**AGENTS' LICENSES**—Agents must procure licenses (expiring December 31) from the Superintendent of Insurance. A license issued to a firm or corporation shall include only members of the firm or officers and directors of the corporation.

**ANNUAL STATEMENTS**—Must be filed with Provincial Treasurer before March 1.

**ATTORNEY**—A resident of the place where the head office of the company in the Province is located must be appointed attorney.

**CAPITAL**—A domestic company must have a capital stock of at least \$500,000, of which at least \$300,000 must be subscribed and \$30,000 paid in.

**DEPOSIT**—Dominion licenses, with deposits at Ottawa, are not required to make deposits with the Provincial Government, nor to file statement. Deposit of Provincial company varies up to a maximum of \$50,000.

**EXAMINATIONS**—The Provincial Treasurer and the Inspector are authorized to make examinations.

**FEES**—Company domiciled outside of Province, and not having a Dominion license, must obtain a Provincial license from the Provincial Treasurer. Fees payable by companies licensed by the Province: For recording and filing documents required to be filed by new domestic stock and mutual companies, \$10; for filing power of attorney, \$5; application for change of name or of head office, \$10; initial license, stock company, \$100; annual renewal, \$100; initial license, cash mutual company, \$50; annual renewal, \$50; initial license, mutual company (other than municipal), \$25; annual renewal, \$10; supplementary license, \$20, renewal \$10; filing annual statement, \$5; revival of license after suspension, \$15; license for mutual going on cash basis, \$10; original license, parish or municipality mutual company, \$20; renewal, \$10. Fees payable by companies licensed by Dominion of Canada, on application for initial registry, \$5; filing power of attorney (foreign company), \$5; change of power of attorney, \$5; filing copy of charter, \$5; certificate of registry, \$150; revival of registry after suspension, \$25; amending registry, \$5. Expenses of inspector, not exceeding \$4000, to be contributed pro rata, according to amount of insurance in force by Provincial companies, in addition to fees for license, etc. Fees for incorporation of insurance companies: \$180 for capital of \$25,000 to \$100,000; \$225 for \$100,000 to \$200,000; \$275 for \$200,000 to \$300,000; \$325 for \$300,000 to \$500,000; \$375 for \$500,000 to \$700,000; \$425 for \$700,000 to \$900,000; \$450 for \$900,000 to \$1,000,000. Agents' licenses, in cities, \$10; elsewhere, \$5.

**INVESTMENTS PRESCRIBED**—Provision is made for the investment of funds of domestic companies.

**LICENSES**—Companies must be registered with the Provincial Treasurer. Licenses expire June 30.

**LIMIT ON A SINGLE RISK**—Ten per cent (net) of capital and surplus, for a stock company; for a mutual company, \$5000, not reinsured.

**MARINE INSURANCE REQUIREMENTS**—Fee payable on application for initial registry, \$5; filing power of attorney, \$5; filing copy of charter, \$5; certificate of registry, \$50. See Texas.

**MUTUAL COMPANIES**—A mutual company may be formed by 200 persons, representing \$200,000 or more of risks. Provision is also made for county mutual companies, etc.

**PRELIMINARY DOCUMENTS**—To be filed with Provincial Treasurer: Certified copy of charter; power of attorney to a resident of the Province, and a financial statement (if company is not licensed under Insurance Act of Canada). Registration certificates of Dominion licensees registered with Provincial Treasurer are renewable on April 1, annually.

**REINSURANCE**—Credit is allowed for reinsurances in authorized companies. Premiums paid to unlicensed companies are taxed at same rate as if paid to licensed companies.

**RETALIATORY LAW**—Tax may be increased upon companies of Province or State discriminating against Quebec companies.

**STANDARD POLICY**—"Statutory Conditions" are required to be printed upon and to form a part of each fire insurance policy; but the effect of these may be altered by clauses printed in different colored ink, so far as such altering clauses are held by the court to be just and reasonable. Material misrepresentations only void policy.

**TAXES**—A tax of one per cent is levied on gross premiums; but such tax shall not be less than \$250 for each company. Unregistered competitors are liable for 1% only, exempt from the minimum. Credit is allowed for reinsurance in licensed companies. Premiums paid to unlicensed companies are taxed at same rate as if paid to licensed companies, the tax being paid by the insured or his broker. Taxes are payable July 1. Marine company, agent or broker is taxed \$250. An additional tax of  $\frac{1}{4}$  of 1 per cent on gross premiums is levied under the act for the Prevention of Fires, payable to Provincial Treasurer. Municipalities may tax insurance companies, but there is no statute establishing uniformity in such taxation.

**TAX STATEMENT**—Must be filed by May 1 with Provincial Treasurer.

#### CALENDAR—QUEBEC

On or before

March	1	Annual statement must be filed.
April	1	Registration certificates of Dominion licensees are renewable.
May	1	Tax statement must be filed.
June	30	Company license must be secured.
July	1	Premium tax is payable.
Dec.	31	Agents' licenses must be procured.

#### SASKATCHEWAN.

**ADJUSTERS' LICENSES**—(Sec. 67). Every adjuster other than an agent holding a certificate of authority under Section 63 must hold a certificate from the Superintendent of Insurance (expiring June 1), and must report adjustments monthly. No fee for license.

**AGENTS DEFINED**—Sec. 63. (1) "The term 'agent' shall include an acknowledged agent or any other person who shall in any manner aid in transacting the insurance business of any insurance corporation or company, and shall also include any broker whose business in whole or any part is to negotiate for and place risks either on property situated and located in the Province and to deliver policies covering the same and collect premiums therefor, or to negotiate for or place other contracts of insurance."

**AGENTS' LICENSES**—Sec. 63. (2) "No person, firm or corporation shall act as agent for any insurance company or corporation in the transaction of any insurance business in this Province, or negotiate for or place contracts of insurance for any such company or corporation, or in any way or manner aid such company or corporation in effecting insurance in this Province, unless he shall have obtained from the Superintendent of In-

surance a certificate of authority to negotiate in the business of insurance.

(3) "A certificate of authority may be issued to any authorized agent of a licensed company or to a recognized broker, upon application filed with the Superintendent, when such application has been approved by the Superintendent and the prescribed fee paid."

(11) "The holder of a certificate of authority shall be exempt from payment of any license fee imposed by any municipal corporation within Saskatchewan for the transaction of the business of insurance." Licenses expire February 15. No company can accept any application from an unauthorized agent.

**ANNUAL STATEMENTS**—Must be filed within sixty days after January 1. Each underwriter's agency must file separate return.

**ANTI-COINSURANCE**—(Sec. 79) (3) Policies may contain a coinsurance clause, but it must have printed or stamped across the face in red ink the words: "This policy contains a coinsurance clause."

**CAPITAL REQUIRED**—For fire company: Authorized, \$500,000; subscribed, \$200,000; paid up, \$25,000. For marine company: Authorized, \$100,000; subscribed, \$50,000; paid up, \$10,000. (Does not apply to companies licensed or registered on February 15, 1914, until February 15, 1916, nor to Dominion licensees).

**DEPOSIT**—Provincial company must deposit with the Minister \$10,000; extra-Provincial company, \$20,000; Provincial mutual company writing mercantile or manufacturing risks deposits \$5,000; extra-Provincial mutual company, \$10,000. If risks in force exceed \$1,500,000, an extra-Provincial company must in addition deposit \$5000 for each \$1,500,000 or fraction thereof of such excess; and a Provincial company must deposit \$200 for each \$100,000 or fraction thereof of such excess over \$1,500,000. (These deposits are not required of companies licensed under the Insurance Act of Canada.) Deposits may be used by Superintendent for the purpose of reinsuring a company's Saskatchewan risks, as and when he sees fit. Special hail deposit of 50 per cent of premium is required under order in council of the Lieutenant Governor from Provincial companies underwriting hail insurance. This deposit is available for payment of losses if required.

**EXAMINATIONS**—The Superintendent of Insurance must visit the head office or chief agency of each company in Saskatchewan at least once each year and examine the statements of condition and affairs of each company. Examinations may be made at the head offices of companies organized outside of the Province. Examinations may be made at discretion of Minister. Abstracts of records may be made at expense of company.

**FEES**—Payable to Superintendent: For recording and filing documents required prior to issuance of license, \$10; for initial license or renewal thereof, Provincial company, \$200; extra Provincial company, \$200; underwriters' agency, \$100; mutual companies, Provincial, \$25; extra-Provincial,

\$150; for certificates of authority: In cities, \$25; in towns, \$7; elsewhere, \$5. For mutual fire insurance and classes other than fire, \$3. Broker's license to deal with unlicensed foreign company, \$25.

**FIRE MARSHAL**—The Lieutenant-Governor in Council has appointed a fire commissioner to investigate all fires in the Province.

**GENERAL PENALTIES**—For any violation, \$200 for each offense.

**IMPAIRMENT**—If a company's liabilities in Saskatchewan exceed its assets in the Province (including its deposit), it shall promptly make good the deficiency or its license will be canceled. If impairment equals or exceeds twenty per cent of unearned premium reserve.

**LICENSED BROKERS**—Brokers may be licensed to deal with unlicensed foreign companies. Licensee must furnish security to the extent of \$2000.

**MISCELLANEOUS**—Every policy must bear on its face the words: "Licensed under the Saskatchewan Insurance Act." Underwriters' agencies must be licensed as well as their guaranteeing companies. Provision is made for the insuring of Saskatchewan risks in unlicensed companies. Premiums in hands of agents are trust funds.

**MUTUAL COMPANIES**—Provision is made for the organization of mutual companies.

**PRELIMINARY DOCUMENTS**—Before securing license company must file with Superintendent: A certificate of registration under the Companies Act; certified copy of act of incorporation; affidavit that company is still in existence and legally authorized to transact business; certified copy of last balance sheet and auditor's report thereon; notice of location of head office in Province and of home office; a certificate of examination made by its home government; amount of capital, number of shares, number of shares subscribed, and amount paid thereon; statement of December 31 last (from companies not licensed under the Dominion Insurance Act). Licenses expire December 31.

**PUBLICATION**—On first obtaining its license, company shall publish notice thereof in two successive issues of the Saskatchewan Gazette, and shall publish like notice when it ceases business in the Province. Advertisements showing capital must show separately amounts authorized, subscribed and paid up.

**REINSURANCE**—No prohibition of reinsurance in unlicensed companies. Reinsurance reserve same as prescribed by Insurance Act of Canada.

**RESIDENT AGENTS**—All risks must be approved by licensed resident agents, who shall countersign all policies and receive the commissions thereon (or any part thereof). This does not apply to direct insurance covering the rolling stock of railroads or property in transit, etc. Agents are forbidden to sign blank policies. Penalty for violation, fine of \$20 to \$100.

**STANDARD POLICY**—Uniform policy conditions are prescribed. All policies or insuring documents must be stamped across their face, "Licensed under the Saskatchewan Insurance Act."

**TAXES**—A tax of one per cent is payable to the Provincial Treasurer

on or before July 1 on gross premiums received in the preceding year ending December 31 on policies insuring property located in Saskatchewan, when such gross premiums are less than \$50,000; one and one-quarter per cent on premiums more than \$50,000 and less than \$100,000; one and one-half per cent on premiums more than \$100,000 and less than \$150,000; one and three-quarters per cent on more than \$150,000 and less than \$200,000; and two per cent when premiums amount to \$200,000 or more. Dominion tax, \$100. Mutual companies pay on gross cash premiums received upon insurance on the cash plan. Credit is allowed for reinsurances, but if business is reinsured in a company not conducting business in Saskatchewan the original company is responsible for the tax. If a company lends money on security and has invested in the Province more than \$50,000 (except bonds or debentures of local or public authorities), such company shall pay a tax of forty cents on every \$1000 invested. Licensed brokers pay  $1\frac{1}{3}$  per cent on premiums paid to unlicensed foreign companies. Property owners may insure directly in unlicensed foreign companies or inter-insurance associations (if the latter do not solicit business in Saskatchewan), but must report such transactions. A tax equal to fifty per cent of premiums thereon is payable, unless such insurance is placed with the consent of the Superintendent or through licensed brokers, in which case tax is one and one-third per cent, as in case of licensed companies. Fire Prevention—A special tax of one-third of 1 per cent on premiums collected the preceding year is payable March 1, under the Fire Prevention Act. This tax goes to a special fund and is not part of the general revenue of the Province.

**TAX STATEMENTS**—Must be filed on or before May 1 with Registrar of Joint Stock Companies.

**On or before                      CALENDAR—SASKATCHEWAN**

Feb.	15	Agents' licenses must be secured.
March	1	Annual statement must be filed. Fire prevention tax is payable.
May	1	Tax statement under Corporation Taxation Act must be filed.
June	1	Adjuster's certificate must be secured.
July	1	Premium tax is payable.
Dec.	31	Company license must be secured.

**MUNICIPAL TAXES AND FEES.**

(Alberta agents are exempt from municipal license fees. Municipal licenses not required in Ontario. By a statute of the Provincial Legislature, 75 per cent of the assessed value of premises occupied by a company or agency is taxed at the current property tax rate for the benefit of the municipality.)

**ALLISTON, ONT.**—For each agent, \$3.

**BATTLEFORD, SASK.**—For each agent, a business tax based on capitalization of floor space occupied, payable June 1.

**BEDFORD, QUE.**—For each agent, \$10.

- CHARLOTTETOWN, P. E. I.—Each company, \$75 yearly, payable June 1.  
CHICOUTIMI, QUE.—Each company, \$10; each agent, \$5, payable May 1.  
CHILLIWACK, B. C.—For each agent, \$5 every six months, payable January 15 and July 15, whether individual or firm.  
COATICOOK, QUE.—For each company, \$15, for each agent, \$5, payable May 1.  
COWANSVILLE, QUE.—For each agent, \$5.  
FARNHAM, P. Q.—For each company, \$15, payable May 1.  
FERNIE, B. C.—For each agent, \$5, each six months (Jan. 15 and July 15).  
FRASERVILLE, QUE.—For each company, \$50; for each agent, \$10, payable May 1.  
FREDERICTON, N. B.—For each company, \$25; for each agent, \$5; 2 per cent premium above \$4000 annually, payable August 1.  
HALIFAX, N. S.—For each company, \$200, payable May 1. Agents pay business tax, based on value of premises occupied.  
HULL, P. Q.—For each company, \$25; for each agent, \$5, payable May 1.  
KAMLOOPS, B. C.—For each agent, \$5, payable semi-annually, January 15 and July 15.  
KENSINGTON, P. E. I.—For each company, \$5 per annum.  
LACHINE, QUE.—For each agent, \$8 per annum, payable May 1.  
LACHUTE, QUE.—For each agent, \$5, payable January 5.  
LAUZON, QUE.—For each company, \$15; for each agent, \$15, payable May 1.  
MONCTON, N. B.—For each company, \$25 per annum, payable July 20; also proportionate share of \$600 yearly towards maintenance of salvage corps.  
NELSON, B. C.—For each agent, \$10 per annum, payable semi-annually, January 15, July 15.  
NICOLET, QUE.—For each company or agent, \$10, payable May 1.  
PARKDALE, ONT.—For each company, \$25.  
PORTAGE LA PRAIRIE, MAN.—Twelve and one-half per cent of rental of premises, payable October 1 to December 15.  
QUEBEC—Each company, \$500; each tenant, 12½ per cent on rental, payable November 1.  
RICHMOND, QUE.—For each agent, \$5 to \$10.  
RIVIERE DU LOUP, QUEBEC—For each company represented by resident agent, \$25; for each non-resident agent, \$50.  
ST. HYACINTHE, QUE.—For each company, \$30, payable May 1.  
ST. JOHN, N. B.—For each company, \$100, payable January 1; also about \$15 toward Salvage Corps expenses.  
ST. JOHNS, QUE.—For each company, \$10.  
SHERBROOKE, QUE.—For each company, \$25; for each agent, \$10, payable May 1.  
SOREL, QUE.—For each company, \$25; for each agent, \$15, payable May 1.  
SYDNEY—For each company, \$20; also tax at personal property rate based on \$100 for each \$20 of net annual income or profit; for non-resident agent, \$20.

SUMMERSIDE, P. E. I.—For each company, \$10 per annum, payable June 1.  
THREE RIVERS, QUE.—For each company, \$75 per year or for any fraction of a year, payable January 1, payable sixty days after notice.  
VALLEYFIELD, P. Q.—Each company, \$10; each agent, \$8, payable May 1.  
WALKERTON, ONT.—For each agent, current rate on assessment proportionate to assessment of real property in which he carries on business.



# CANAL ZONE

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The law governing the conduct of insurance companies in the Canal Zone is set forth in the Executive Order of the Secretary of War, dated March 12, 1907, which reads as follows:

## EXECUTIVE ORDER.

By direction of the President, it is ordered:

That no life, fire, accident, industrial, or indemnity insurance company shall be permitted to do business within the Canal Zone until it shall have complied with the following requirements:

1. It shall file with the Executive Secretary:

(a) A certified copy of its articles of incorporation.

(b) A certificate of the Insurance Commissioner of the State of its incorporation showing that it is authorized to do business in the home jurisdiction.

(c) A resolution of its Board of Directors designating an agent within the Canal Zone upon whom legal process may be served.

(d) A certified copy of its last annual statement to the Insurance Commissioner of the State or country in which it may be incorporated; and from time to time thereafter copies of such additional reports as it shall make to the home Commissioner.

(e) A sworn statement, showing the amount of its capital stock paid in, its surplus, the amount of insurance it has outstanding, and the number of unsettled or uncontested claims pending against it.

2. It shall deposit with the executive Secretary \$10,000 in cash or current securities, which shall be available to satisfy any judgment that may be rendered against it under any insurance policy that it may issue.

3. Upon complying with these conditions and the payment of an annual fee of \$50, the Executive Secretary will issue to such company a certificate authorizing it to do business within the Canal Zone. Such certificate, however, shall be terminable by the direction of the chief civil authorities of the Canal Zone; but if terminated without fault upon the part of the insurance company, a proportionate rebate of the license fee will be made to the insurance company.

4. Each company, as a condition of continuing to do business within the Canal Zone, shall file with the Executive Secretary, between January 1 and March 1 of each year, a sworn statement showing the business done by it within the Canal Zone during the previous calendar year, and shall pay, on or before March 1, to the Executive Secretary, in lieu of all other taxes save taxes upon real estate and the annual fee provided for in Section 3 hereof, a license tax equal to one and one-half per centum of its premium receipts for the calendar year preceding.

5. The agent of any unlicensed insurance company doing business within the Canal Zone shall be subject to a fine not exceeding \$25 for the first offense, and not exceeding \$100 for the second offense.

# COLORADO.

## STATE REQUIREMENTS.

**AGENTS DEFINED**—Insurance Code, Sec. 21 (5), "A person not a duly licensed insurance broker, licensed solicitor, or licensed agent's employee, who for compensation solicits insurance on behalf of any insurance company, or transmits for a person other than himself an application for or a policy of insurance to or from such company, or offers or assumes to act in the negotiation of such insurance, shall be an insurance agent within the intent of this act, and shall thereby, except as otherwise provided in sub-division 6 of this section, become liable for all the duties, requirements, liabilities and penalties to which an agent of such company is subject, and such company by compensating such person through any of its officers or agents or employees for soliciting, shall thereby accept and acknowledge such person as its agent in such transaction."

**AGENTS' LICENSES**—Company must procure for each agent or solicitor a copy of its certificate of authority; certificates expire the first day of March. Certificate required for each member of firm. An agent or solicitor must have a license for each company for which business is solicited. Should be filed prior to March 1. Penalty for acting for an authorized company without a certificate, \$100 fine, or imprisonment for 2 months, or both; for representing an unauthorized company, \$100 fine, or 2 months' imprisonment, or both; for accepting business from an unlicensed agent or broker, suspension or revocation of license.

**ANNUAL STATEMENTS**—Must be filed with Commissioner on or before March 1. Statement of classification of business is required to be filed annually on or before July 1. These and tax statements are the only ones required annually.

**ANTI-COINSURANCE**—No provision.

**ANTI-COMPACT**—Companies are forbidden by a law of 1919 to enter into a combination for the making or fixing of rates. See Rate Schedules to be Filed.

**ANTI-DISCRIMINATION**—Insurance Code, sec. 55, provides that every insurance company and agent is prohibited from making any contract or agreement other than that expressed in the policy issued thereon. No company or agent is allowed to give directly or indirectly as an inducement, except to a charitable, religious or educational corporation, organization or institution, the property or holdings of which is exempt from taxation, any rebate of premium payable on the policy or any encomium of any kind other than specified in the policy. Violation by an officer or agent of a company is considered a misdemeanor and the offender is liable to a fine of from \$100 to \$500, or imprisonment for from thirty to ninety days, or both. (Sec. 57.) Any person knowingly accepting such rebate or allowance is guilty of a misdemeanor and is punishable by \$100 fine or imprisonment for thirty days, or both. The

law relating to the regulation and control of rates prohibits discrimination. See Rate Schedules to be filed. The Department has ruled that where notes are given for insurance premiums such notes shall bear interest at the legal rate.

**ATTORNEY**—The Commissioner must be empowered to accept service of legal process.

**CANCELLATION OF POLICY**—Part of Sec. 61, Insurance Code. "The Commissioner shall refuse to authorize any such fire insurance company, association or corporation to do business in this State, whenever the form of policy contract issued or proposed to be issued by any such company, association or corporation does not provide for the cancellation of the same at the request of the insured upon equitable terms; or whenever the form of policy does not provide that in case the policy shall be cancelled at the request of the insured, the premium having been actually paid, that the unearned portion shall be returned on surrender of the policy or last renewal, the company in no event retaining an amount in excess of the amount shown to be the earned portion of said premium, as per the customary short-rate table."

**CAPITAL REQUIRED**—Not less than \$200,000. A domestic company limiting its operations to Colorado, is only required to have \$50,000 of its capital paid in.

**COMMISSIONS TO NON-RESIDENTS**—Commissions must be received by resident agents. Agents must not pay commissions to persons not holding certificate.

**DEPOSIT**—Companies of other countries must have \$200,000 deposit in Colorado, or some other State. Such deposit may be made in the securities, but subject to the limitations specified under "Investments Prescribed." Domestic companies deposit amount of minimum capital.

**DOMESTIC COMPANIES**—Sec. 30, Ins. Code. "Whenever any number of persons shall associate to form an insurance company for any of the purposes named in the preceding sections, and become incorporated in accordance with the provisions of Chapter XIX of the General Statutes of 1883, they shall file a copy of the articles of incorporation with the Commissioner, who shall submit the same to the Attorney-General for examination, and if found by him to be in accordance with the provisions of this act, and not inconsistent with the Constitution of this State, he shall certify and deliver back the same to the Commissioner, who shall commission the persons named in the certificate of incorporation, or a majority of them, to open books for the subscription of stock in the company at such time and place as they shall deem it convenient and proper, but every such commission shall expressly state that it is issued subject to all the provisions of this act, and a full compliance therewith by the persons receiving such certificate." In organizing under the laws of the State no company is allowed to pay more than 20 per cent of sum realized from sale of its capital stock for organization expenses. Before issuing a commission

authorizing the sale of stock the commissioner satisfies himself that the company has been formed in good faith. (Sec. 32.)

**EXAMINATIONS**—Ins. Code, Sec. 12. "The Commissioner of Insurance shall examine and inquire into violations of the Insurance Laws of this State, and for this purpose, or to see if the laws are obeyed, or to examine the financial condition, affairs and management of any company, he may visit, or cause to be visited by his actuary, or examiners of his office, the head office in the United States of any domestic or foreign insurance company applying for admission to or already admitted to do business in this State, and may for these purposes examine or investigate any company organized under the laws of Colorado, and any agency of any company doing business in this State; provided that the Commissioner may employ competent persons other than the actuary or examiners of his office to make examinations of such companies; and further provided that the consent of the Governor must be obtained to all examinations, inquiries or investigations. The cost of such examinations when made beyond the borders of the State of Colorado shall be paid by the company examined, and shall include the reasonable expenses of the Commissioner, and assistants employed therein, whose services are paid for by the Department, and the compensation and reasonable expenses of his assistants employed therein whose services are not paid for by the Department. \* \* \* The Commissioner may also examine companies upon the request of five or more of the policyholders, representing at least \$100,000 insurance in force, who shall make affidavit of their belief, with specifications of their reasons therefor in writing, that such company is in an unsound or insolvent condition; provided, that only the United States branches of companies incorporated in foreign countries shall be examined by said Commissioner." Results of such examinations must be published within fifteen days by Commissioner in a Denver newspaper. If company is unsound Commissioner, after due notification, may revoke such company's license. (Sec. 13.) False swearing or failure to produce books shall be held to be a misdemeanor, punishable by fine not exceeding \$500, or imprisonment for not exceeding three months, or both. Any person making any false certificate, entry, memorandum, or figures with intent to deceive the Commissioner is liable to a fine of \$1000, or imprisonment for not less than two months, nor more than twelve months in the county jail, or both.

**FEES**—Insurance Code, sec. 14. For filing annual statement, \$50; certificate of authority, \$5; filing articles of incorporation (domestic companies), \$50; filing power of attorney and statement preliminary to entrance, \$50; filing copy of charter, same as paid Secretary of State, \$30; copy of certificate for use of agent or solicitor, \$2; for broker's license, \$10; copy of paper on file, 20 cents per folio; for affixing seal, \$1; for accepting service of process, \$2. County mutual associations: For filing articles of incorporation, \$10; for certificate of authority (annually), \$5; for filing annual statement, \$5. Fees payable to Commissioner of Insurance. Pen-

alty for non-payment of fees, revocation of license. Fee to Secretary of State for filing certified copy of articles of incorporation and all amendments thereto, \$30 (minimum); for filing certified copy of portion of the corporation laws of State in which company is organized, which applies to company, \$5; for filing certificate showing that company has appointed Colorado Insurance Commissioner its attorney, \$5; for filing affidavit of president and secretary setting forth the entire amount of capital and the portion thereof represented by corporate assets employed in Colorado, \$1; for issuing certificate that fees have been paid, \$5. (If more than \$50,000 of capital and assets is employed in Colorado, 30 cents per \$1,000 on the excess). A fire company need file documents with the Secretary of State but once in twenty years, unless charter expires sooner. Mutual companies' fees to Secretary of State (payable once), \$13.50.

**FIRE DEPARTMENT TAX**—No provision.

**FIRE MARSHAL**—No provision.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—None required.

**IMPAIRMENT**—When a company is in unsound condition its license must be revoked.

**INVESTMENTS PRESCRIBED**—Capital, surplus and accumulated funds of a Colorado company shall be invested in bonds and mortgages on real estate worth fifty per cent more than the amount loaned, exclusive of buildings (unless the latter are insured for the benefit of the company); bonds or other evidences of indebtedness of the United States, the District of Columbia, or any State of the United States, or of any county, incorporated city, town or school district in the United States; improvement certificates of Colorado cities; if first liens upon real estate; interest bearing first mortgage bonds of dividend-paying corporations (except mining corporations); or such funds may be loaned upon the security of the bonds, notes, etc., named, if the current market value of such securities is at least twenty-five per cent more than the amount loaned thereon. This section shall not prohibit any company from accepting any other assets than herein enumerated in payment of debts due company, in order to protect its interests, provided that assets so accepted which are not of the character heretofore described, shall be considered as not admitted assets. (Sec. 26). Real estate, except for home office occupancy, is not a permissible investment, and that taken under foreclosure or in satisfaction of debt must be sold within five years. Time may be extended at discretion of Commissioner.

**LICENSED BROKERS**—Brokers may be licensed (fee \$10 per year) to place risks with licensed companies. Licenses expire first day of March.

**LIMIT ON A SINGLE RISK**—Net line, ten per cent of paid-up capital and surplus.

**LLOYDS**—No provision.

**MARINE INSURANCE REQUIREMENTS**—Same as for fire insurance companies and agents.

**MISCELLANEOUS**—A Colorado company doing business in another State without having procured a license in such State, is liable to have its Colorado license revoked. (Sec. 28.) Consent of both parties is required before removing a law suit to a Federal Court. (Sec. 39.) Penalty for violation, revocation of license. Promotions of new companies are under supervision of Insurance Department. Notes taken for premiums shall bear six per cent interest from their date.

**MUTUAL COMPANIES**—Ins. Code, Sec. 67. "Twenty-five or more persons, citizens of this State, may form a corporation to carry on the business of fire insurance on the mutual plan; but no such corporation shall begin to do business until a guaranty fund of at least \$10,000 has been provided and deposited in cash or in such securities as are permitted by law in case of stock companies, with the Commissioner of Insurance, under the conditions named in this act; the same to be held as security for the payment of all losses and other policy liabilities of such companies." Premium notes shall be liens upon properties insured. Provision is made for county mutual associations, and for the reorganization of mutual fire companies as stock companies with \$50,000 or more of capital. Mutual fire company, other than domestic, must have \$100,000 assets beyond all liabilities.

**PRELIMINARY DOCUMENTS**—Company must file a certified copy of its charter and a statement showing the condition of the company December 31 preceding; also copies of all policies used in the State; also an acceptance of the reinsurance law. Foreign companies must file certified copy of charter; copies of all policies, power of attorney, acceptance of reinsurance law. Certificate of paid-up capital (from home State) and report of last examination. It is held to be illegal for licensed companies to transact business under any but their proper names. Certified copy of charter must also be filed with Secretary of State, upon entering the State, a statement of assets invested or employed in the State, a designation of an attorney in the State, and a certified copy of the law under which the company operates in its name.

**PUBLICATION**—Synopsis of statement must be published at least four times in a Denver newspaper of general circulation within thirty days after certificate of authority is issued, and a copy of paper filed with the Commissioner of Insurance. (Sec. 24.) No domestic company can publish the capital without stating the paid up capital.

**RATE SCHEDULES TO BE FILED**—Every fire insurance company must maintain or be a member of a rating bureau. No company shall be a member of more than one rating bureau for the purpose of rating the same risk. A rating bureau of two or more insurers shall admit to membership any authorized insurer applying therefor; the expense of which shall be shared in proportion to the gross premiums less return premiums and premiums on marine and farm risks received by each member during the

preceding year, together with an annual fee not to exceed \$25. Every rating bureau shall maintain an office within the State.

Reciprocal exchanges making their own rates shall file their schedule of rates with the Commissioner of Insurance. Every company must state in its annual application for a license each rating bureau in which it is a member, and during the year file written notices of any rating bureau of which it shall become a member. Every rating bureau shall inspect every risk specifically rated by it upon schedule and make a written survey of such risk, which shall be filed as a permanent record in the office of such bureau.

A copy of such survey shall be furnished on request to the owner of the property. All flat rates and rates on farm property shall be filed in the office of the rating bureau and with the Commissioner of Insurance. All bureaus shall be under the supervision of the Commissioner of Insurance.

The Commissioner shall have power to examine any rating bureau as often as he deems it expedient and the report of the examination shall be filed in the Insurance Department.

No fire insurance company shall fix or charge any rate for fire insurance upon property in this State which discriminates unfairly between risks of essentially the same class. No variation shall be made by any company in the schedule of rates established and maintained by its bureau which shall not be uniform in its application to all risks of the same class and no variation shall be made unless notice shall be filed with the bureau and the Commissioner of Insurance at least fifteen days before such uniform variation is in effect.

Schedules showing the amended basis rate and other amendments causing such variation shall be filed with the bureau and the Commissioner. No agreement except as contained in the policy shall be made with any person insured or to be insured that the whole or any part of any insurance shall be written by or placed with any particular company, agent, insurer or group of companies. Upon written complaint that discrimination of rate exists between risks of essentially the same class, the Commissioner of Insurance may order a hearing upon such questions of discrimination upon fifteen days' notice to all parties interested. Should exception be taken by any of the parties interested to the ruling of the Commissioner he may, within fifteen days, commence action in the district court for the purpose of reviewing such order.

During the court action, Commissioner's order may be suspended. The Commissioner shall have the power if it shall appear that from the underwriting results of stock fire insurance companies in this State that the rates are excessive or unreasonable, to order a just reduction in rates.

No fire insurance company or other insurance, insurer or rating bureau or representative thereof shall enter into or act upon any agreement with regard to the making, fixing or collection of any rate for fire insurance upon property within this State except in compliance with this act. Any such

agreement may be made and enforced providing the same is not contrary to the law and is in writing and the copy filed with the Commissioner of Insurance. The Commissioner may abrogate any such agreement. This act shall not apply to domestic mutual insurance companies or to the rolling stock of any common carrier.

Violation of any of the provisions of this act shall be a misdemeanor and there shall be a punishment of not less than \$25, and not more than \$200. If payment is not made within thirty days after final judgment, the Commissioner may revoke the license of such company until the payment of such claim has been made.

**RECIPROCAL INSURANCE**—Section 81. Individuals; partnerships and corporations of this State, hereby designated subscribers, are hereby authorized to exchange reciprocal or inter-insurance contracts with each other, or with individuals, partnerships and corporations of other States and countries, providing indemnity among themselves from any loss which may be insured against under other provisions of the laws, excepting life insurance. The office or offices through which such indemnity shall be exchanged shall be classified as "Reciprocal or Inter-insurance exchanges." Contracts may be executed by an attorney acting for such subscribers. Subscribers must make a declaration, stating by-laws, etc., that applications have been made for insurance on at least 100 risks, aggregating \$1,500,000, properly covered; and must deposit \$25,000 with the attorney. Attorney on filing annual statement must pay a filing fee of \$15; \$5 for certificate of authority; \$5 for filing declaration, and an annual tax of two per cent of net premiums.

**RECIPROCAL LAW**—Ins. Code, Section 77. "Whenever, by the laws of any other State or country, any taxes, fines, penalties, licenses or fees in addition to or in excess of those imposed by the laws of this State upon foreign insurance companies and their agents doing business in this State, are imposed on insurance companies of this State and their agents doing business in such other State or country, or whenever any conditions precedent to the right to do business in such other State or country are imposed by the laws thereof beyond those imposed upon such foreign companies by the laws of this State, the same taxes, fines, penalties, licenses, fees and conditions precedent shall be imposed upon every similar insurance company of such other State or country and their agents doing or applying to do business in this State, so long as such foreign laws remain in force; and upon the failure of any such foreign company to comply therewith, the Commissioner of Insurance of this State shall revoke its certificate or license to do business in this State, or shall refuse to grant such license or certificate in the first instance."

**REINSURANCE**—Insurance Code, Sec. 62. "(1) No foreign fire or casualty insurance company doing business in this State shall make, write, place, or cause to be made, written or placed, any policy, duplicate policy or contract of insurance of any kind or character, or any general or floating



policy, upon persons or property resident, situated or located in this State; except after the said risk has been approved, in writing, by an agent who is a resident of this State, regularly commissioned and licensed to transact insurance business herein, who shall countersign all policies so issued and receive the full commission thereon when the premium is paid.

(2) No fire or casualty insurance company shall reinsure in any manner whatsoever, the whole or any part of a risk taken by it on property or persons resident, situated or located in this State, in any other company or association not authorized to transact business in this State. No fire or casualty insurance company shall transfer or cede, in any manner whatsoever, to any company or association not authorized to do business in this State, any risk or liability or any part thereof assumed by it, under any form of contract of insurance, covering property located in this State, including any risk or liability under any general or floating policy, or any agreement, general, floating or specific, to reinsure excess loss. No fire or casualty insurance company shall reinsure, or assume as a reinsuring company, or otherwise, in any manner or form whatsoever, the whole or any part of any risk or liability covering property located in this State, of any insurance company not authorized to transact business in this State." Yearly certificates of compliance required. Reinsurance must be reported. Penalty for violation, revocation of license for at least one year. The Insurance Department has ruled that every insurance contract must be countersigned by a resident agent and must be in an authorized company. Reinsurance in an "underwriters' agency" not permitted. Original policy must be signed by a resident agent.

**REINSURANCE RESERVE**—Fifty per cent of gross unexpired premiums having less than one year to run, and pro rata on all unexpired risks having more than one year to run.

**RESIDENT AGENTS**—Insurance Code, Section 38. "It shall be unlawful for any foreign insurance company to make, write, place or cause to be made, written or placed in this State any insurance policy or contract of any kind, or provide against any contingency which may be insured or guaranteed against, unless done through its duly and regularly appointed and authorized agent or agents, residents of this State." Penalty for violation, revocation of license for one year or more. Section 62. "(1) No foreign fire or casualty insurance company doing business in this State shall make, write, place, or cause to be made, written or placed any policy, duplicate policy or contract of insurance of any kind or character or any general or floating policy, upon persons or property resident, situated or located in this State; except after the said risk has been approved, in writing, by an agent who is a resident of this State, regularly commissioned and licensed to transact insurance business herein, who shall countersign all policies so issued, and receive the full commission thereon when the premium is paid."

**SEMI-ANNUAL STATEMENTS**—None required.

**STANDARD POLICY**—No provision. Policies used must be examined and approved by the Commissioner. See "Cancellation."

**TAXES**—All insurance companies engaged in the transaction of the business of insurance in the State, shall pay annually to the State Treasurer, through the Commissioner's office, on or before March 1, two per cent on the gross premiums collected or contracted for in the State during the year ending the previous 31st of December. (Deduction of returned premiums and of reinsurances in admitted companies permitted, the company taking the reinsured risks paying the tax on premiums.) Companies having 50% or more of their assets invested in State, county or municipal bonds and other property in Colorado not required to pay this tax. The two per cent tax is in lieu of all other taxes, except property taxes. Penalty for non-compliance, revocation of license until such tax is paid; also \$25 per day for each day's delinquency. (Ins. Code, Sec. 16.)

**TAX STATEMENTS**—Must be filed on or before March 1.

**VALUED POLICY**—No provision.

#### COUNTY TAXES AND FEES.

None, except on real estate.

#### MUNICIPAL TAXES AND FEES.

None, except on real estate.

#### CALENDAR—COLORADO

- March 1 Agents' licenses must be procured. Annual statement must be filed. Tax statement must be filed. Premium tax is payable. Company must secure license. File affidavit of exemption from general corporation tax with Secretary of State.
- March 31 Publication of synopsis of statement is required.
- July 1 Classification of business statement to be filed.

# CONNECTICUT.\*

## STATE REQUIREMENTS.

**AGENTS DEFINED**—Sec. 4277. “\* \* \* any person who shall in any manner aid in transacting the business of an insurance company.”

**AGENTS' LICENSES**—Agents of all companies must secure, through written applications of their principals (act of 1915), certificates of authority, which expire April 1 each year. Not to exceed four named persons may solicit for agency corporation, who shall be officers of the corporation. Penalty for acting without license, fine of not more than \$1000.

**ANNUAL STATEMENTS**—Must be filed with Insurance Commissioner annually by March 1. Penalty for wilfully making false statement, imprisonment for not more than five years. (This statement and tax statement are only ones required annually.)

**ANTI-COINSURANCE**—No law.

**ANTI-COMPACT**—No law.

**ANTI-DISCRIMINATION**—Sec. 4122 prohibits the payment or allowance of any rebate of premium or any special favor or advantage not specified in the policy.

**ATTORNEY**—The Insurance Commissioner must be empowered to accept service of legal process.

**CANCELLATION**—Sec. 4109. “No insurance company or association shall cancel a policy issued against loss by fire on property in this State without giving the party insured at least five days' notice, in writing, of such intention, and returning the ratable proportion of the premium for the unexpired term of the policy.”

**CAPITAL REQUIRED**—A stock fire insurance company must possess a paid-up capital of at least \$200,000. Mutual companies must possess \$150,000 in cash or available securities.

**COMMISSIONS TO NON-RESIDENTS**—No provision.

**DEPOSIT**—Foreign companies must have at least \$200,000 invested in securities authorized by law for investments of savings banks, deposited with the proper officers of Connecticut, or of some other State.

**DOMESTIC COMPANIES**—Sec. 4280. “Every insurance company or association incorporated or organized in this State shall before issuing a policy or making a contract of insurance, file with the Insurance Commissioner a certified copy of its charter or articles of association and a statement verified by the oath of its president and secretary, showing that said company is duly organized.” Sec. 4281. “Upon receiving such statement the Insurance Commissioner shall examine such company or association, and, if he finds that it has complied with the terms of its charter or articles of association and the laws of the State, shall issue a certificate authorizing such company or association to issue policies and make contracts of insurance.”

Under the law, fire insurance companies may write hail, wind storm and

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\* Sectional references are to General Statutes, Revision of 1918, unless otherwise specified.

war risks, and also automobile insurance (including fire, explosion, transportation, collision, property damage and theft). Secs. 4087-4088.

**EXAMINATIONS**—Sec. 4086 provides that the Insurance Commissioner, either personally or through his appointees, may at any time examine into the affairs of any fire or fire and marine insurance company in this State; and he shall, at least once in five years, visit each fire insurance company incorporated by this State, thoroughly examine its financial condition, and ascertain whether it has complied with all of the provisions of the law. Books must be shown and officers and agents must answer under oath all questions regarding affairs of the company. Investigation results may be published. In relation to companies incorporated under the laws of other States, the Commissioner may accept the certificate of the Insurance Commissioner of such State regarding its condition. Sec. 3491. "If any such company, \* \* \* shall fail within ten days to obey any such order of the Commissioner, he may apply to a court or judge having jurisdiction for an injunction, or for the appointment of a receiver, or for both. \* \* \*" The Commissioner is authorized to examine, or cause to be examined, at any time, any company doing business in the State. Provision is made for the liquidation of delinquent domestic companies by the Insurance Commissioner.

**FEES**—Issuing license, companies other than those of foreign countries, \$10; issuing license, foreign companies, \$50; filing statement, foreign companies, \$20; filing statement, companies other than those of foreign countries, \$10; filing charter, domestic companies, preliminary to commencing business, \$10; filing charter other State companies, reciprocal; filing charter, foreign companies, \$30; filing any additional paper, 25 cents; certificate of condition, \$10; certificate of authority, \$5; agents' certificates, other State companies, reciprocal; agents of companies of foreign countries, \$2 each; license to deal with unauthorized companies, \$20; broker's license, \$10. (The last two fees may be prorated.) Fees payable to Insurance Commissioner. The expenses of any examination or inquiry made without the State shall be borne by the company examined.

**FIRE DEPARTMENT TAX**—Governed by reciprocal law.

**FIRE MARSHAL**—Law provides for investigation of fires by State police.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—None required, except that when seeking admission to the State, a copy of the last annual report is required.

**GENERAL PENALTIES**—Sec. 4294. "Every person or corporation violating any provision of the preceding sections of this title for which no penalty is provided shall be fined not more than \$500." Sec. 4295. "Every person who shall violate any law of this State relating to insurance companies organized under the laws of other States or foreign governments shall be fined not more than \$500 where no other penalty is provided." (Sec. 4276). For making false representations in advertisements, first offense, a fine of \$500; later offenses a fine of \$1,000 each.

**IMPAIRMENT**—Impairment exceeding twenty-five per cent of capital must be made up within a reasonable time, or injunction proceedings must be begun. Provision is made for the liquidation of delinquent domestic companies by the Insurance Commissioner.

**INVESTMENTS PRESCRIBED**—None.

**LICENSED BROKERS**—Part of Sec. 4283. "The Insurance Commissioner, upon the payment of a fee of \$20, may issue a license to any person permitting the person named therein to procure policies of fire insurance on property in this State in companies or associations approved by said Commissioner, which have not complied with the laws of this State relative to such companies or associations." Sec. 4284. "No person shall act under such license until he shall have made and filed in the offices of the Insurance Commissioner an affidavit that he is unable to procure, in companies admitted to do business in the State, the amount of insurance necessary to protect the property to be insured under such license. Such person shall keep a separate account of the business done under such license, which account shall at all times be open to the inspection of the Insurance Commissioner, and shall annually, on or before the 20th of January, file in the office of the Insurance Commissioner a sworn statement, showing, first, the exact amount of insurance placed for each person, firm or corporation, under such license; second, the gross premiums charged thereon; third, in what company or companies, association or associations; fourth, the date of the policy or policies; fifth, the terms thereof." Sec. 4285. "Each person acting under such license shall pay the Insurance Commissioner of this State, annually, on or before the 30th of January, a sum equal to three per cent of the gross premiums charged for insurance procured or placed under such license." Sec. 4287. "Whoever for compensation acts or aids in any manner in negotiating contracts of insurance or reinsurance, or placing risks, or effecting insurance or reinsurance for a person other than himself, and not being the appointed agent or officers of the company in which such insurance or reinsurance is effected, shall be deemed an insurance broker, and no such person shall act as such broker except as provided in sections 4289, 4291-4292." Sec. 4289. "The authorized agent of any company legally admitted to do business in this State may, without being deemed a broker or procuring a broker's certificate of authority, negotiate or effect contracts of insurance or reinsurance with any qualified domestic insurance company or its agents, and with the authorized agents in this State of any foreign insurance company admitted to do business in this State: provided, that such contracts shall be of the same class and character of insurance or reinsurance as those which such authorized agent legally admitted to do business in this State is allowed to effect." A broker may be licensed for \$10 per year to deal with authorized companies. According to Sec. 4288, no company, broker or agent is allowed to pay a commission, to effect contracts of insurance in which a broker's license is required,

to any person of another State not having Connecticut license. The Connecticut Ins. Dept. explains that "a person having received from the Insurance Commissioner a certificate or license authorizing him to place risks and effect insurance or re-insurance with any qualified domestic insurance company or its agents, and with the agents in this State of any foreign insurance company duly admitted to do business in this State, must not place the insurance direct with companies of other States, but must deal with the agents of those companies residing in Connecticut."

(Sec. 4295) Penalty for violation, \$500.

**LIMIT ON A SINGLE RISK**—Ten per cent of capital and surplus.

**LLOYDS**—No provision.

**MARINE INSURANCE REQUIREMENTS**—Those governing companies writing both fire and marine risks apply also to those writing either fire or marine only.

**MISCELLANEOUS**—Insurance Commissioner has supervision over corporations promoting or controlling insurance companies.

**MUTUAL COMPANIES**—Sec. 4085. "Any mutual fire or fire and marine or mutual marine insurance company located in any other State of the United States, possessed of \$150,000 in cash, or securities invested in available cash assets, may be admitted to take risks and transact business in this State through lawfully constituted and licensed resident agents; provided, that it shall comply with all the other requirements of the laws of this State relating to such companies of other States, and that similar companies of this State are admitted to transact business in such other State."

**PRELIMINARY DOCUMENTS**—Company must deposit with the Commissioner a certified copy of its charter and a verified statement showing its condition. Foreign companies must file copy of charter, duly certified; certificate of deposit; head office statement; certified copy of vote by which trustees were appointed; and certified copy of deed of trust. Certificate of compliance with laws of company's home State is not required annually.

**PUBLICATION**—No requirement. Any advertisement showing a company's assets must also show its liabilities on the basis allowed for its annual statement, which statement must have been verified by the Insurance Department. This does not apply to printed statements supplied to stockholders.

**RECIPROCAL INSURANCE**—No provision.

**RECIPROCAL LAW**—Sec. 4263. "When any other State shall impose any obligation, prohibition or restriction upon insurance companies, corporations, or associations of this State, or their agents transacting business in such other State, the like obligations, prohibitions, and restrictions are hereby imposed on similar companies, corporations, and associations of such other State and their agents transacting business in this State; and such companies, corporations, and associations of other States, and their agents, shall pay all penalties to the Insurance Commissioner of this State and make deposits with the State Treasurer. Sec. 4070. Whenever it

shall appear to the Insurance Commissioner that permission to transact business within any State of the United States or within any foreign country is refused to a company organized under the laws of this State after a certificate of the solvency and good management of such company has been issued to it by the said Commissioner, and after such company has complied with any reasonable laws of such State or foreign country requiring deposits of money or securities with the government of such State or country, then, and in every such case, the Commissioner may forthwith cancel the authority of every company organized under the laws of such State or foreign government and licensed to do business in this State, and may refuse a certificate of authority to every such company thereafter applying to him for authority to do business in this State, until his certificate shall have been duly recognized by the government of such State or country."

**REINSURANCE**—No provision concerning reinsurance in unauthorized companies.

**REINSURANCE RESERVE**—Fifty per cent of the gross premiums on policies running one year or less and a pro rata amount on policies running more than one year (less return premiums and reinsurance) received on risks in force not perpetual; ninety per cent of premiums on perpetual risks in force; ocean marine risks, the full amount of premium in force, except on time hull risks, which may be computed at fifty per cent of the amount of premiums received on risks in force.

**RESIDENT AGENTS**—Other State and foreign companies are forbidden by Secs. 4084 and 4106 to transact business in Connecticut except through lawfully constituted and licensed resident agents. This does not apply to insurance on rolling stock of railroad companies, nor to property in transit, nor to reinsurance between companies.

**SEMI-ANNUAL STATEMENTS**—None required.

**STANDARD POLICY**—The Connecticut standard policy form is the same as the old New York form. The new New York form cannot be used in Connecticut. Riders must be in type not smaller than long primer, and must be signed by the officers or agent of the company. Penalty for violation, not more than \$200 for each offense. Policies of typewriter size may be used.

**TAXES**—Sec. 1347. (Foreign companies.) Resident manager shall annually, on or before March 1, pay to the Insurance Commissioner a tax of two per centum upon the gross amount of premiums, less return premiums for cancellations; and from the tax so calculated may be deducted the per centum of tax, if any, which by law is to be paid in Connecticut by the reinsuring company upon the amount of premiums (less return premiums) paid for reinsurances, but no deduction shall exceed two per cent. Reinsurances in authorized companies only may be deducted. Taxation of companies of other States is governed by reciprocal provisions. Taxes of mutual companies of Connecticut: Chapter 337, Public Acts, 1919. "The secretary or treasurer of every insurance company chartered by this State, and doing

business in whole or in part upon the plan of mutual insurance, including every such company whose policyholders have a right to participate in its profits, shall, on or before the first day of March annually return and deliver to the tax commissioner a sworn statement specifying the total amount of interest, dividends, rents and all other investment income, and also the rents from real estate situated and taxed in this State, actually received by such company during the year ended on the thirty-first day of December next preceding. If such company be in part a stock company, the stock whereof by law is otherwise liable to taxation, said statement shall also specify the portion of said interest, dividends, rents and other investment income, and rents from real estate situated and taxed in this State, which properly belong to its stock department. Sec. 2. Every such insurance company, annually on or before the first day of April, shall pay to the State a tax upon its corporate franchise which shall equal a percentage of the total amount of interest, dividends, rents and other investment income actually received by it during the year ended on the thirty-first day of December next preceding, exclusive of rents from real estate situated and taxed in this State and interest on evidences of indebtedness owned by it and exempted from taxation by Section 1222 of the general statutes, which percentage shall be, in the years 1920 and 1921, four per centum and thereafter three and one-half per centum. If such company be in part a stock company, the stock whereof by law is otherwise liable to taxation, there shall be deducted from such income for the purpose of computing such tax that portion of such which properly belongs to its stock department. Reciprocal provision as to companies of other States. See "Tax Statements" for taxes levied upon domestic stock companies. A domestic stock company (under Sec. 1202) must pay to the Treasurer, on or before July 15, annually, a tax on its corporate franchise equal to  $\frac{1}{2}$  of 1 per cent on the market value of its capital stock on October 1 preceding, after deducting amount invested in bonds issued by the State. This tax is distinct from that described under head of "Tax Statements."

**TAX STATEMENTS**—Must be filed with Insurance Commissioner by companies of other States and countries by January 31. A domestic company must, by October 15, annually file in the office of the Tax Commissioner, a statement under oath, showing the number of shares of its capital stock and the market value thereof on October 1, the name and residence of each stockholder, and the number of shares owned by each on said last named date, and on or before the last day of the following February must pay to the Treasurer of the State a tax of one per centum on the market value of each share of its stock, less the amount of taxes paid by such corporation upon its real estate in Connecticut during the year ending on September 30 next preceding. (Sec. 1206). Domestic mutual company must file statements with Tax Commissioner on or before January 20.

**VALUED POLICY**—No law.



None.

**COUNTY TAXES AND FEES.****MUNICIPAL TAXES AND FEES.**

None, except property tax.

**CALENDAR—CONNECTICUT**

On or before

- |       |    |   |
|-------|----|---|
| Jan.  | 31 | Tax statement must be filed except by domestic companies.<br>(Tax payment paid by other companies subject to reciprocal law.) |
| March | 1  | Annual statement must be filed.   |
| March | 1  | Premium tax is payable by alien companies.  |
| April | 1  | Agents' licenses must be secured. Company license must be secured.  |
| Oct.  | 15 | Domestic companies must file tax statements.  |

# DELAWARE.

## STATE REQUIREMENTS.

**AGENTS DEFINED**—Chap. 23, Vol. 19, Sec. 5. " \* \* \* Every person who shall procure or solicit any citizen or resident of this State to take out a policy of insurance in any fire insurance company or companies not incorporated by the laws of this State shall be deemed a foreign fire insurance agent \* \* \*."

**AGENTS' LICENSES**—Companies are required to secure for their agents licenses good for one year from the date thereof, and also certificates of authority, which expire February 28. Applications for licenses must be made by company officials, under seal, as appointments are made and annually thereafter before February 28. Penalty for acting for non-admitted company, \$100 to \$500, or imprisonment for not more than six months, or both. Soliciting business without a license, a fine not exceeding \$500, or imprisonment not exceeding thirty days, or both; for non-payment of tax, a fine of not over \$500, or imprisonment not longer than two years, or both, and payment of the tax.

**ANNUAL STATEMENTS**—Must be filed on or before February 28. (These and tax statements are only ones required annually.)

**ANTI-COINSURANCE**—No provision.

**ANTI-COMPACT**—No requirement.

**ANTI-DISCRIMINATION**—No provision.

**ATTORNEY**—The Insurance Commissioner must be designated to accept service of legal process for companies domiciled outside of the State.

**CANCELLATION OF POLICY**—No special requirement.

**CAPITAL REQUIRED**—Stock companies must possess \$100,000 of capital, over and above all liabilities. Mutual companies must have net assets of at least \$100,000, and be authorized to transact business in the State wherein they are incorporated. Foreign companies must have \$100,000 of net assets.

**COMMISSIONS TO NON-RESIDENTS**—Commissions must be received by resident agents.

**DEPOSIT**—None required, except by operation of reciprocal law. Foreign companies must have \$100,000 net assets deposited in the United States (character not specified).

**DOMESTIC COMPANIES**—No special requirement. Penalty for failure to pay State tax, a fine of \$500 to \$2000, costs and revocation of charter.

**EXAMINATIONS**—Whenever the Insurance Commissioner may deem it for the interest of the public he may proceed to examine a company.

**FEES**—For filing charter, \$10; annual statement, \$10; certificate of authority to company, \$25; issuing company's certificate, \$2; copy of paper on file, 20 cents per folio; certifying same, \$1; examination of companies, actual expenses incurred; agent's certificate of authority (transferable), \$2;

agent's State license (transferable, expires one year from date of issue), \$5.50. **Penalty**—Failure to pay license fee, fine of not less than \$500, nor more than \$2000. Fees are payable to Insurance Commissioner. See "Publication."

**FIRE DEPARTMENT**—Governed by reciprocal law.

**FIRE MARSHAL**—None.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—Delaware does not require the filing of a statement of the home office, except when expressly demanded by Commissioner.

**GENERAL PENALTY**—For violation of the insurance law, a fine not exceeding \$1000.

**IMPAIRMENT**—Chap. 99, Sec. 4. " \* \* \* If at any time the Insurance Commissioner shall find the capital stock of any company doing business in this State impaired to the extent of twenty per cent, he shall give notice to the company to make good its whole capital stock within sixty days, and if this is not done, he shall require the company to cease to do business within this State, and shall, thereupon, in case the company is organized under the laws of this State, immediately institute legal proceedings."

**INVESTMENTS PRESCRIBED**—Discretion of the Insurance Commissioner.

**LICENSED BROKERS**—No special requirement.

**LIMIT ON A SINGLE RISK**—No provision.

**LLOYDS**—No special provision.

**MARINE INSURANCE REQUIREMENTS**—Those for a company writing both fire and marine are the same as for a company writing either fire or marine risks only.

**MUTUAL COMPANIES**—Sec. 4. "That if by the statement furnished as aforesaid, it shall appear that such company is incorporated under the laws of the State, and is a mutual company, and that agreements have been entered into by the company for insurance with at least 100 applicants, and that securities on said insurance founded on actual and bona fide applications for insurance, and amounting to not less than \$20,000, have been received; or, if it shall appear by such statement that such company, being incorporated under the laws of this State, is a stock company, and has an actual paid-in capital stock of at least \$100,000 over and above all claims and liabilities; or, if it shall appear by such statement that such company is incorporated under the laws of any other State or foreign government, or is in good condition, and has assets to the amount of \$100,000 over and above all liabilities and claims, then the Insurance Commissioner shall issue a certificate authorizing said company to transact the business of insurance and establish agencies in this State."

**PRELIMINARY DOCUMENTS**—Company must file with the Commissioner a certified copy of its charter and a verified statement showing its condition. Foreign companies must file in the office of Insurance Commissioner a certified copy of charter and a power of attorney to accept service of process and

name agents in the State; sworn statement of assets and liabilities; home office statements not required. Penalty for operating without filing above (a misdemeanor), fine of from \$200 to \$500. Commissioner may revoke a company's license at his discretion.

**PUBLICATION**—Abstract of statement must be published once a week for three weeks in at least two newspapers in the State, on or before July 1. Expense to be borne by companies (estimated \$3).

**RECIPROCAL INSURANCE**—No provision.

**RECIPROCAL LAW**—Chap. 179, Vol. 14, Sec. 1. "That whenever the existing or future laws of any other State of the United States shall require of insurance companies incorporated by this State and having agencies in such other State, or of the agents thereof, any deposit of securities in such State for the protection of policyholders, or otherwise, or any payment for taxes, penalties, certificates of authority, license fees, or otherwise, greater than the amounts required for such purposes from similar companies of other States by the then existing laws of this State, then, and in every such case, all companies of such States establishing, or having heretofore established, an agency or agencies in this State, shall be and are hereby required to make the same deposit, for a like purpose, with the Treasurer of the State of Delaware, and to pay said Treasurer for taxes, fines, penalties, certificates of authority, license fees, and otherwise, an amount equal to the amount of such charges and payments imposed by the laws of such State upon companies of this State and agents thereof."

**REINSURANCE**—Chap. 99, Vol. 22, Sec. 12. "No fire insurance company or association shall reinsure, in any manner whatsoever, the whole or any part of a risk taken by it on property situated or located in this State, in any other company or association not authorized to transact business in this State, except upon the written consent of the Insurance Commissioner. No fire insurance company or association shall transfer or cede, in any manner whatsoever, to any company or association not authorized to do business in this State, any risk or liability, or any part thereof, assumed by it under any form or contract of insurance covering property located in this State, including any risk or liability under any general or floating policy, or any agreement, general, floating or specific, to reinsure excess loss by one or more fires (except upon the written consent of the Insurance Commissioner). No fire insurance company or association shall reinsure or assume, as a reinsuring company or otherwise, in any manner or form whatsoever, the whole or any part of any risk or liability, covering property located in this State, of any insurance company or association not authorized to transact business in this State (except upon the written consent of the Insurance Commissioner)." All reinsurances must be reported annually (or oftener if required). Credit is allowed for reinsurances in authorized companies. See "Resident Agents." Penalty for each violation, \$500.

**REINSURANCE RESERVE**—No requirement.

**RESIDENT AGENTS**—Chap. 99, Vol. 22, Sec. 11. "That no fire insurance company or association not incorporated under the laws of this State, authorized to transact business herein, shall make, write, place, or cause to be made, written or placed, any policy, duplicate policy, or contract of insurance of any kind or character, or any general or floating policy upon property situated or located in this State, except after the said risk has been approved in writing by an agent who is a resident of this State, regularly commissioned and licensed to transact insurance business herein, who shall countersign all policies so issued, and receive the commission thereon when the premium is paid, to the end that the State may receive the taxes required by law to be paid on the premiums collected for insurance on all property located in this State; and that no person, other than the owner, shall pay or forward any premiums, applications for insurance, or in any manner secure, help or aid in placing of any fire insurance, or effect any contract of insurance upon real or personal property within this State, directly or indirectly, with any insurance company or association not of this State, or which has not been authorized to do business in this State, unless such person or persons shall first secure a license from the Insurance Commissioner of this State, as now provided by law. Nothing in this act shall be construed to prevent any such insurance company or association, authorized to transact business in this State, from issuing policies at its principal or department offices, covering property in this State; provided, that such policies are issued upon applications procured and submitted to such company by agents who are residents of this State, and licensed to transact the business of insurance herein, and who shall countersign all policies so issued and receive the commission thereon when paid; provided, that no part of this section is intended to, or shall apply to, direct insurance covering the rolling stock of railroad corporations, or property in transit, while in the possession and custody of railroad corporations or other common carriers, nor to the property of such common carriers, used or employed by them in their business as common carriers of freight, merchandise of passengers." The Insurance Department rules that "where a policy of fire insurance covering property located within the State of Delaware has been originally countersigned by a resident agent, it is not necessary that a policy or reinsurance affecting that risk be countersigned by a Delaware agent." Marine policies must be signed by resident agents.

**SEMI-ANNUAL STATEMENTS**—No requirement.

**STANDARD POLICY**—No standard form. A ruling of the Insurance Department permits stock companies to use the typewriter form of the old New York Standard Policy.

**TAXES**—Chap. 23, Vol. 19, Sec. 3. "\* \* \* And every insurance company, firm or corporation, doing any other (than life) business within the State, shall, on the 1st day of March of each year, pay to the Insurance Commissioner, for the use of the State, one and one-half per centum on the gross amount of premiums received and assessments collected by any such insur-

ance company, firm or corporation, or authorized agent for the year immediately next preceding the date herein provided for such payment." Delaware companies must pay a tax of \$100 annually on first Tuesday in July. The Delaware State Grange Mutual Fire Company is exempt from this tax. Penalty for non-payment of tax, revocation of license. Chap. 166, Vol. 21, Sec. 4, provides that "each insurance company, other than life, shall pay to the State Treasurer, for the use of the State, an annual license fee or franchise tax at the rate of three-fourths of one per centum upon the gross amount of its premiums so returned or ascertained;" Sec. 2 requiring a statement of total premiums received during the preceding year to be filed by the first Tuesday in January in each year. (Chap. 166, Vol. 21, applies to companies incorporated under General Corporation Law of 1899.)

Law of March 29, 1911, Sec. 1. "That where in Chapter 99, Volume 22, Laws of Delaware, and elsewhere in the laws of this State the words "gross premiums" are used in reference to premiums received by fire insurance companies on policies covering risks located within the State of Delaware the same shall be taken and held to mean all moneys collected as premiums on such policies, less return premiums paid therefrom by reason of cancellation of policies and less reinsurance premiums received from companies authorized to do business in this State and which pay to the State taxes on the original premiums."

**TAX STATEMENTS**—Must be filed on or before February 28. See "Taxes."

**VALUED POLICY**—Law of 1889, amended 1893, Sec. 1. "Whenever any policy of insurance shall be issued to insure any real property in this State against loss by fire, tornado, or lightning, and the property insured shall be wholly destroyed, without criminal fault on the part of the insured or his assigns, the amount of the insurance stated in such policy shall be taken conclusively to be the true value of the property insured, and the true amount of loss and measure of damages, subject to the proviso herein; and every such policy, when hereafter issued or renewed, shall have indorsed across the face of it the following: 'It is agreed between the insurer and insured that the value of the insured property is the sum of \$. . . . ., and this estimate shall be binding on both parties, as to the value; provided, however, that nothing herein contained shall, in case of loss, prevent the company insuring from adjusting the loss by replacing the property destroyed; and, in case any owner shall effect any subsequent insurance upon any larger value than so agreed, all insurance, as well as that then existing, and that subsequently obtained, shall become void.'"

#### **COUNTY TAXES AND FEES.**

None.

#### **MUNICIPAL TAXES AND FEES.**

None.

On or before      **CALENDAR—DELAWARE**

Feb. 28      Tax statement must be filed.

Company must secure certificate of authority.

Agents' licenses must be obtained.

Annual statement must be filed.

Publication fee is payable.

Delaware companies organized before 1898 pay Franchise Tax.

March 1 Premium tax must be paid.

July 1 Statement must be published weekly for three weeks prior to  
July (1st this date.

Tuesday) Delaware companies pay \$100 tax.

# DISTRICT OF COLUMBIA.

## LEGAL REQUIREMENTS.

**AGENTS DEFINED**—No definition.

**AGENTS' LICENSES**—Fee for principal agent's license which expires annually April 30, \$50†. Fee for license pro rated for unexpired time. Fee covers not exceeding two partners in a firm or corporation, or secretary and assistant secretary of a corporation, and a single license (fee \$50) covers all companies represented. A solicitor may be employed by any number of companies; fee to be paid by solicitor, \$5\* for each company represented. Applications for licenses should be filed by company officers before March 1, annually. Industrial solicitor's license, \$2.\* Penalty for acting for unlicensed company, fine not exceeding \$100, or imprisonment for ten to sixty days.

**ANNUAL STATEMENTS**—Annual statements must be filed on or before March 1, and published in at least one daily newspaper in the District, in March. (See "United States.")

**ANTI-COINSURANCE**—No provision.

**ANTI-COMPACT**—No provision.

**ANTI-DISCRIMINATION**—No provision.

**ATTORNEY**—A resident of the District must be appointed to accept service of legal process.

**CANCELLATION OF POLICY**—No requirement.

**CAPITAL REQUIRED**—Each stock company must have at least \$100,000 paid in. Assets of all companies must equal their liabilities.

**COMMISSIONS TO NON-RESIDENTS**—Commission must not be paid to anyone in the District of Columbia not licensed as an agent or solicitor.

**DEPOSIT**—Foreign companies must have \$100,000 deposited in one of the United States or with the Supreme Court of the District of Columbia (character of assets not specified).

**DOMESTIC COMPANIES**—No special requirements.

**EXAMINATIONS**—Examinations of domestic companies permitted to be made at the discretion of the Superintendent of Insurance.

**FEES**—License for principal agent, \$50, payable in March to the Collector of Taxes. License for solicitor (payable by solicitor), \$5. For filing preliminary documents, prorated monthly at the rate of \$10 per annum from May 1, which is the anniversary date of all insurance licenses; and \$10 annually thereafter for filing annual statement and certificate of compliance for admission, on which annual license is issued (includes annual license fee). The \$10 fee and the tax on premiums (see "Taxes") are the only charges that can be applied to companies. All fees are payable to the Collector of Taxes.

**FIRE DEPARTMENT TAX**—None.

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\* License may be assigned to another solicitor of same company at an expense of 25 cents.  
† License may be assigned to another agent at an expense of 25 cents.



**FIRE MARSHAL**—Investigation of fires is provided for.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—None required.

**IMPAIRMENT**—Impairment limited to twenty-five per cent, under penalty of suspension of license; and if not made good within sixty days license shall be revoked. Penalty of \$20 per day for doing business without a license.

**INVESTMENTS PRESCRIBED**—Capital must be invested in "property worth not less than the full amount of the capital stock required by its charter."

**LICENSED BROKERS**—\$50 per annum pro rated monthly from first of month in which application is made to April 30, inclusive, following.

**LIMIT ON SINGLE RISK**—No provision.

**LLOYDS**—No provision.

**MARINE INSURANCE REQUIREMENTS**—Laws make no distinction between marine insurance companies, agents or brokers and those writing both fire and marine risks.

**MUTUAL COMPANIES**—Must file qualifying documents. Exempt from taxation.

**PRELIMINARY DOCUMENTS**—Company must file with the Superintendent of Insurance of the District a statement showing its condition December 31 preceding. Penalty for doing business without authority, \$20 per day. Company must also file certified copy of charter or articles of incorporation (need be filed but once), and certificate of compliance annually, showing that it has complied with the laws of its own State and such other documents as Superintendent may require. Certificate of compliance must be filed annually before March 1.

**PUBLICATION**—Statement must be published annually in at least one daily newspaper in the District in the month of March.

**RECIPROCAL INSURANCE**—No provision.

**RECIPROCAL LAW**—None.

**REINSURANCE**—No prohibition of reinsurance in unauthorized companies, if transaction is made outside of the District.

**REINSURANCE RESERVE**—All companies are required to "maintain a reinsurance reserve fund."

**RESIDENT AGENTS**—No requirement.

**SEMI-ANNUAL STATEMENTS**—Not required.

**STANDARD POLICY**—District has no standard policy.

**TAXES**—Every stock fire insurance company must pay to the Collector of Taxes a tax of one and one-half per centum on net premium receipts in the District for calendar year, before March 1 in following year.

**TAX STATEMENTS**—Statements of net amount of premiums received in the District must be filed in January, covering the preceding calendar year; also the payment, except by mutual fire companies, of one and one-half per cent on such premiums (before March 1), in lieu of all other taxes, except

those on real estate. Penalty for non-payment, revocation of license and eight per cent per month. (See "United States.")

VALUED POLICY—No law.

**MUNICIPAL TAXES AND FEES.**

None.

**CALENDAR—DISTRICT OF COLUMBIA.**

On or before

- |          |   |
|----------|---|
| Jan. 31  | Tax statement must be filed.                                      |
| March 1  | Certificate of compliance must be filed.                          |
|          | Applications for agents' licenses must be filed.                  |
|          | Annual statement must be filed.                                   |
|          | Premium tax is payable.   |
| March 31 | Annual statement must be published.                               |
|          | Company's and agents' certificate of authority should be secured. |
| May 1    | Anniversary date of all insurance licenses.                       |

# FLORIDA.

## STATE REQUIREMENTS.

**ADJUSTERS' LICENSES**—Adjusters of fire losses required to be licensed.

- Fee \$10 for each company represented unless a traveling license. A local agent may adjust in county for which he is licensed. Licenses expire October 1 and are one-half annual rate after April 1.

**AGENTS DEFINED**—A person or firm who receives or receipts for any money on account of or for any contract of insurance made by him or them, or for any such insurance company, association, firm, or individual aforesaid, or who receives or receipts for any money from other persons, to be transmitted to any such company, association, firm or individual aforesaid for a policy of insurance or any renewal thereof, although such policy of insurance is not signed by him or them as agent or representative of such company, association, firm, or individual, or who in any wise, directly or indirectly, makes or causes to be made any contract of insurance for or on account of such insurance company, association, firm or individual, shall be deemed to all intents and purposes an agent or representative of such company, association, firm or individual.

**AGENTS' LICENSES**—Companies must procure license for each individual agent, which expires October 1. Penalty for failure to pay license fee, a fine of not more than double the amount of tax.

**ANNUAL STATEMENTS**—Must be filed prior to March. Penalty for making a false statement, a fine of \$500 to \$5000.

**ANTI-COINSURANCE**—No prohibition of coinsurance clauses. See "Valued Policy."

**ANTI-COMPACT**—No provision.

**ANTI-DISCRIMINATION**—Sec. 29, Ins. Laws. "Each insurance company or association, firm or individual mentioned in this act doing business in this State, shall upon the first day of October after the passage of this act, and upon the first day of each succeeding October, furnish to the State Treasurer the name and address of each agent or solicitor authorized to write insurance in this State, together with the affidavit of each such agent that he has not and will not directly or indirectly divide or offer to divide his commissions, or rebate any part of any premium on any policy of insurance with any corporation, firm or individual." Law of June 1, 1915, Chap. 6849, forbids rebating or the acceptance of rebates. Violators subject to a fine of \$100 or imprisonment of from 90 days to six months.

**ATTORNEY**—Service of legal process upon any agent of the company in the State or upon the State Treasurer shall be binding.

**CANCELLATION OF POLICY**—No requirement as to notice to insured.

**CAPITAL REQUIRED**—Two hundred and fifty thousand dollars (\$100,000 if a domestic company, except one heretofore chartered) of assets invested in United States bonds, or other safe securities.

**COMMISSIONS TO NON-RESIDENTS**—Commissions must be paid to resident agents. Division of commissions with non-resident is ground for revocation of company's and agent's license. However, property of a non-resident, located in Florida, may be insured through a non-resident agent; but the policy must be signed by a resident agent, who may divide commission with the non-resident agent. (Chap. 7296, 1917.)

**DEPOSIT**—Each company must deposit \$20,000 in cash, or in bonds of the United States, of any State, of the District of Columbia, or of any city or county of Florida; or in lieu thereof, an approved bond in the amount of \$20,000 of a surety company licensed in Florida. Foreign companies must have \$250,000 of assets invested in United States or State bonds, or other bankable interest-bearing stock issued in the United States, at their market value.

**DOMESTIC COMPANIES**—Sec. 2756. "The capital stock of an insurance company incorporated in this State shall not be less than \$50,000, to be divided into shares of not less than \$10 nor more than \$100 each, payable in lawful money of the United States." General requirements are same as for outside companies. Company may not sell any of its stock at more than ten per cent discount within two years after filing its charter with Secretary of State, and no one shall receive more than 10 per cent of the sales for selling or negotiating stock. No director or executive officer of a company shall participate in commissions received by any person for selling stock.

**EXAMINATIONS**—Sec. 2757. "The State Treasurer is hereby designated Insurance Commissioner; whose duty it shall be to examine into the affairs of any insurance company, association, firm or individual doing an insurance business, or applying to do such business in this State." Examinations are at companies' expense. Penalty for refusing to permit examination, revocation of license; for refusal to testify, fine of \$100 or imprisonment for thirty days to six months.

**FEES**—(Sec. 8. Chapter 5597, approved June 1, 1907; amended 1913.) Fire insurance companies pay license tax of \$200 to State Treasurer; companies failing to procure a license will be subject to \$500 fine; local agent or solicitor's tax, payable to State Treasurer, \$5 (counties, cities and towns may tax agents one-half of this amount); traveling agent or solicitor, payable to State Treasurer, \$25 (also taxed \$5 for each county, city or town in which he does business); insurance adjuster, who has not paid a license as agent or traveling agent, \$10; for each insurance rate-maker or rate agent, traveling in the State, who makes, fixes or recommends the fixing or adjustment of rates in the State, each insurance company represented by him or whose rates are affected by his services, whether any such company is operating alone or as a member of any association or combination of companies, shall pay a license tax of \$25. When licenses are issued after April 1, fees are one-half of the amounts named. State Treasurer's Fees (for filing annual statement)—Sec. 2763.

"For the services required to be rendered by the provisions of the sub-chapter, the State Treasurer shall receive a fee of \$10, to be paid by the companies, associations, firms or individuals, for each statement made and accepted." A tax of \$2 per \$1000 of capital, but in no case to exceed \$250, must be paid to the Secretary of State, on filing a certified copy of charter; also a filing fee of \$5 for filing charter, and \$2 for amendment thereto. (These fees apply only to companies filing charters or amendments after June 1, 1907.) Attorney of inter-insurance exchange pays \$10 on filing annual report; also license tax of \$25 for each agent authorized to write insurance in Florida, and a license tax of \$10 for each adjuster doing business in Florida.

**FIRE DEPARTMENT TAX**—No provision.

**FIRE MARSHAL**—No provision.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—None required.

**GENERAL PENALTIES**—For failure of any insurance company to file its charter, a fine of not over \$1,000, or imprisonment not exceeding six months, or both; for failure to satisfy judgment, revocation of license, and company can not do business until the judgment, fees and expenses are paid; for transacting business without a license, a fine of not more than double the amount required for such license.

**IMPAIRMENT**—(Sec. 2758.) License may be revoked if State Treasurer deems company's condition unsound, or if its assets above its liabilities, exclusive of capital and inclusive of reserve or unearned premiums are less than the amount of its original capital or required unimpaired funds.

**INVESTMENTS PRESCRIBED**—Each outside company must have \$250,000 invested in United States or State bonds, or other bankable interest-bearing stock issued in the United States, at their market values. Domestic companies must have \$100,000 so invested, unless chartered under Florida laws prior to June 1, 1915.

**LICENSED BROKERS**—No provision.

**LIMIT ON A SINGLE RISK**—No provision.

**LLOYDS**—See Reciprocal Insurance.

**MARINE INSURANCE REQUIREMENTS**—Any company authorized to write fire may also write marine insurance. The license law, etc., applicable to fire insurance companies applies also to those doing a fire and marine business.

**MISCELLANEOUS**—The State Fire Insurance Fund was established by Chap. 7294 (1917) to carry insurance on State property. Chap. 7295 provides for the payment by insurance companies losing suits in court of "reasonable" fees or compensation for attorneys prosecuting the suit.

**MUTUAL COMPANIES**—Twenty or more persons (a majority residents of Florida), with applications for at least 200 risks and \$500,000 of insurance,

and holding \$10,000 or not less than twice the maximum risk assured, may organize a mutual company; all names of such companies must contain the word "Mutual." A mutual company shall not issue policy for a cash premium, and without contingent liability, until and unless it has \$100,000 surplus, except that it may so insure State, county or municipal property if policy provides against participation in profits.

**PRELIMINARY DOCUMENTS**—Company must file with the State Treasurer a copy of its charter and a sworn statement, showing the financial condition of the company. A certified copy of its charter must be filed with the Secretary of State, and a fee of \$2 per \$1000 of capital be paid to him, plus a filing fee of \$5. Charter amendments must also be filed and fees of \$2 per \$1000 paid in on increases of capital, if maximum fee of \$250 has not been paid.

**PUBLICATION**—Sec. 2762. "The State Treasurer \* \* \* shall annually in the month of March publish, in some newspaper published at the capital, a list of all insurance companies, associations, firms or individuals authorized to do business in this State, showing in tabular form the assets, liabilities and other essential data and information regarding the statement made and accepted." (See under "Fees," Sec. 2763).

**RECIPROCAL INSURANCE**—Inter-insurance exchanges are under supervision. New exchanges must cover at least seventy-five separate risks, with not less than \$1,500,000, and have on deposit with attorney not less than \$25,000. Annual statements must be filed in January. Attorneys must secure licenses from State Treasurer. Limit on one risk for any subscriber, 10 per cent of his net worth.

**RECIPROCAL LAW**—None.

**REINSURANCE**—Law of 1903. Provides, "That no fire insurance company or association authorized to transact business in this State shall reinsure or enter into any contract to indemnify any fire insurance company or association not authorized to transact business in this State against loss by fire to property located in this State." Amendment by Chapter 7875, Acts of 1919, provides that all reinsurance contracts must be approved by the State Treasurer.

**REINSURANCE RESERVE**—No requirement. Inter-insurance exchanges must maintain reserves equal to fifty per cent of net annual deposits, and at least \$25,000.

**RESIDENT AGENTS**—Law of 1903, provides that all policies issued against loss by fire to property located in the State by any fire insurance company or association authorized to transact business in the State shall be issued and countersigned by a local agent who is a resident in the State, regularly commissioned and licensed to transact a fire insurance business therein, and such local agent shall receive on each policy the full and usual commission allowed and paid by such company or association to its agents on business written or done by them. This section does not apply to policies of reinsurance issued to another licensed company, nor to policies of insur-

ance on the rolling stock of railroad companies doing a general freight and passenger business. Companies must not request nor permit division of commissions, nor employ an agent who has divided or offered to divide commissions with a non-resident, except as explained under "Commissions to Non-Residents." Penalty for violation, revocation of license for at least one year. Companies are required to file with the State Treasurer yearly, on October 1, a list of all their agents and solicitors in the State. Marine policies must be signed by resident agent.

**SEMI-ANNUAL STATEMENTS**—None required.

**STANDARD POLICY**—None required.

**TAXES**—Fire companies must pay to the State Treasurer on January 31 a tax of two per cent on gross premiums less return premiums and reinsurance premiums received from authorized companies. Penalty for non-payment by March 1, revocation of license.

**TAX STATEMENTS**—Must be filed prior to March 1. (Included in Annual Statement.)

**VALUED POLICY**—Chap. 4677, Laws of 1899, Sec. 1. "From and after the passage of this act, any individual, firm, corporation or association, insuring any building or structure in this State against loss or damage by fire or lightning, shall cause such building or structure to be examined by an agent of the insurer, and full description thereof to be made, and the insurable value thereof to be fixed by such agent and written in the policy; in the absence of any change increasing the risk without the consent of the insurers, in case of total loss the whole amount mentioned in the policy upon which the insurers receive a premium shall be paid, and in case of partial loss, the full amount of the partial loss shall be paid, but in no case shall the insurer be required to pay more than the amount upon which a premium is paid." Chap. 5458, Laws of 1905, Sec. 1. "That in the event of a total loss or destruction of any personal property on which the amount of the appraised or agreed loss, to be paid at the same time and in the same manner as the loss shall be paid, and the said unearned premium shall be a just and legal claim against the said insurance company or companies."

#### **COUNTY TAXES AND FEES.**

**ALACHUA**—For each agent, \$2.75; payable October 1.

**BRADFORD**—For each company, \$2.75, payable October 1.

**BREVARD**—For each agent, \$2.75, payable October 1.

**CLAY**—For each company or agent, \$2.75, payable October 1.

**COLUMBIA**—For each company, \$2.75, payable October 1.

**DADE**—For each traveling agent, \$5.25, payable October 1.

**DE SOTO**—For each company, \$2.75.

**DUVAL**—For each agent for each company, \$2.75, payable October 1.

**FRANKLIN**—For each local agent, \$2.75; for each traveling agent, \$5.25.

**GADSDEN**—For each agent (each company), \$2.50, payable October 1.

- HILLSBORO**—For each agent, each member of firm and each company, \$2.75, payable October 1.
- JACKSON**—For each company, \$2.75; for each traveling agent, \$5.25; payable October 1.
- LAKE**—For each company, \$2.75, payable October 1.
- LEE**—For each agent, \$2.50, payable October 1.
- LEON**—For each company, \$2.75, payable October 1.
- MADISON**—For each company, \$2.75, payable October 1.
- MANATEE**—For each agent, \$2.50, payable October 1.
- MARION** For each agent (each member of a firm), \$2.75; for each company, \$2.75, payable October 1.
- NASSAU**—For each company, \$2.75, payable October 1.
- ORANGE**—For each company, \$2.75, payable October 1.
- OSCEOLA**—For each company, \$2.75, payable October 1.
- PALM BEACH**—For each company, \$2.75, payable October 1.
- PINELLAS**—For each company, \$2.75; agent, \$3.25, payable October 1.
- POLK**—For each agent, \$2.75, payable October 1.
- PUTNAM**—For each agent, \$2.75, payable October 1; license for two members of firm, \$5.25.
- ST. JOHNS**—For each company, \$2.75, payable November 1.
- ST. LUCIE**—For each agent, \$2.75, payable October 1.
- SUWANNEE**—For each company, \$2.75, payable October 1.
- TAYLOR**—For each agent, \$2.50, payable October 1.
- VOLUSIA**—For each company, \$2.75; for each member of agency, \$3.75, payable October 1.

#### MUNICIPAL TAXES AND FEES.

- APALACHICOLA**—For each agent, \$2.75, payable October 1.
- ARCADIA**—For each company, \$10.25, payable October 1.
- BARTOW**—For each agent, \$2.75, payable October 1.
- BRADENTOWN**—For each agent, \$2.75, payable October 1.
- BROOKSVILLE**—For each agent, \$2.50, payable October 1.
- CALLAHAN**—For each agent, \$2.50, payable August 1.
- CLEARWATER**—For each company, \$2.75, payable October 1.
- CRESCENT CITY**—For each agent, \$2.75, payable October 1.
- DADE CITY**—For each agent, \$2.75, payable October 1.
- DAYTONA**—For each agent, \$10, payable October 1.
- DAYTONA BEACH**—For each company, \$2.75, payable October 1.
- DE FUNIAK SPRINGS**—For each company, \$2.75; for each agent, \$2.75, payable October 1.
- DELAND**—For each company, \$2.50, payable October 1.
- DUNNELLON**—For each local agent, \$5; traveling agent, \$10; payable October 1.
- FERNANDINA**—For each company, \$10.25; for each agent, \$5.25, payable October 1.
- FORT LAUDERDALE**—For each company, \$2.75, payable October 1.



- FORT MEADE—For each company, \$5.25, payable October 1.  
FORT MYERS—For each company, \$2.75, payable October 1.  
FORT PIERCE—For each agent, \$2.75, payable October 1.  
GAINESVILLE—For each company, \$2.75; for each agent, \$2.75, payable October 1.  
GREEN COVE SPRINGS—For each company, \$2.25, payable October 1.  
HAINES CITY—For each agent, \$2.50, payable October 1 (for less than six months, \$1.25).  
HIGH SPRINGS—For each agent, \$2.75, payable October 1.  
JACKSONVILLE—For each company (each agency), \$100; for each agent, \$100, payable annually.  
JASPER—For each company, \$3.25, payable October 1.  
KEY WEST—For each company, \$10; for each agent, \$5, payable October 1.  
KISSIMEE—For each agent, \$2.75, payable October 1.  
LAKE CITY—For each company, \$2.65, payable October 1.  
LAKELAND—For each company, \$5.25, payable October 1.  
LEESBURG—For each company, \$2.75, payable October 1.  
LIVE OAK—For each company, \$2.75, payable October 1.  
MADISON—For each company, \$2.50, payable October 1.  
MARIANNA—For each agent, \$2.75, payable October 1.  
MIAMI—For each company, \$25, payable October 1.  
MONTICELLO—For each company, \$5.50.  
NEW SMYRNA—For each agency, \$2.50, payable October 1.  
OCALA—For each company, \$5, payable March 1.  
ORLANDO—For each company, \$15.00, payable January 1.  
PALATKA—For each company, \$2.50, payable October 1.  
PENSACOLA—For each company, \$75; for each agent, \$7.50, payable October 1.  
PERRY—For each agent, \$10.25, payable October 1.  
PLANT CITY—For each agent, \$5.25, payable October 1.  
PUNTA GORDA—For each company or agent, \$2.75, payable October 1.  
QUINCY—For each company, \$2.75, payable October 1.  
ST. AUGUSTINE—For each agent, \$20, payable October 1.  
ST. LUCIE—For each agent (each member of a firm), \$2.75, payable October 1.  
ST. PETERSBURG—For each agent, \$2.50, payable November 1.  
SANFORD—For each agent \$2.75, payable October 1.  
SARASOTA—For each company, \$2.75; for each agent, \$5.75, payable October 1.  
SEMINOLE—For each agent, \$2.75, payable October 1.  
STARKE—For each company, \$2.75, payable October 1.  
STUART—For each company, \$2.50; each agent, \$2.50, payable October 1.  
TALLAHASSEE—For each agent, \$2.75, payable October 1.  
TAMPA—For each company, \$125, payable October 1.  
TARPON SPRINGS—For each company, \$5, payable October 1.

**TITUSVILLE**—For each agent, \$2.75, payable October 1.

**WEST PALM BEACH**—For each agent, \$5 (each member of a firm), payable October 1.

**WINTER PARK**—For each company, \$2.50, payable annually.

On or before

**CALENDAR—FLORIDA**

March	I	Annual statement must be filed. Premium tax is payable. Tax statement must be filed (included in annual statement).
Oct.	I	Adjusters' licenses must be secured. Agents' licenses must be obtained. Names of agents and solicitors and their affidavits must be filed. Company must secure license and pay license tax.

# GEORGIA.

## STATE REQUIREMENTS.

**AGENTS DEFINED**—Sec. 9. "That any person who solicits in behalf of any insurance company, or agent of the same, incorporated by the laws of this or any other State, or foreign government, or who takes or transmits, other than for himself, any application for insurance, or any policy of insurance to or from such company or agent of the same, or who advertises or otherwise gives notice that he will receive or transmit the same, or who shall receive or deliver a policy of insurance of any such company, or who shall examine, inspect any risk at any time, or receive or collect or transmit any premiums of insurance, or make or forward any diagram of any building or buildings, or do or perform any other act or thing in the making or consummating of any contract of insurance for or with any insurance company other than for himself \* \* \* shall be held to be the agent of the company for which the act is done or the risk taken." Penalties for acting as agent, without a license, a sum equal to the State, county and municipal taxes and licenses required of insurance companies, and personal liability for all contracts made; also punishable as a misdemeanor.

**AGENTS' LICENSES**—Agents must procure licenses, and also certificate that the company is authorized to do business in the State. All licenses to agents expire March 1. Applications for licenses must be made by officers of companies, and accompanied by certificate showing fitness and qualifications, by March 1, annually.

**ANNUAL STATEMENTS**—Must be filed with Insurance Commissioner within sixty days from January 1. Penalty for non-compliance, forfeiture of license. A certified statement for registration must be filed with the Secretary of State annually before November 1, upon form furnished by the Secretary. These statements, with the semi-annual reports to the Governor and the tax statements, are the only ones required each year.

**ANTI-COINSURANCE**—(Dodson Law, 1895), Sec. 1. "That from and after the passage of this act all insurance companies issuing policies on property in this State shall pay to their policyholders the full amount of loss sustained upon the property insured by them; provided, said amount of loss does not exceed the amount of insurance expressed in the policy, and that all stipulations in such policies to the contrary shall be null and void; provided that in cases of losses on stocks of goods and merchandise and other species of personal property changing in specifics and quantity by the usual customs of trade, only the actual value of the property at the time of loss may be recovered; provided the loss does not exceed the amount expressed in the policy."

**ANTI-COMPACT LAW** (approved October 21, 1891)—Sec. 1. "From and after the passage of this act it shall be unlawful for any insurance company or companies, authorized to do business in this State, or the agent

or agents thereof, to make, maintain, or enter into any contract, agreement, pool, or other arrangement with any other insurance company or companies, licensed to do business in this State, or the agent or agents thereof, for the purpose thereof, or that may have tendency or effect of preventing or lessening competition in the business of insurance transacted in this State; and when it shall be made to appear to the Commissioner of Insurance that any company or companies, agent or agents, have entered into any such contract, agreement, pool, or other arrangement, thereupon said Commissioner shall revoke the license issued to such company or companies, and same shall not be reissued until the president or chief officer of such company or companies shall file an affidavit with said Commissioner, stating that all such contracts, agreements, pools, or other arrangements have been annulled and made void; provided that nothing in this act shall be so construed as to prevent any insurance company, legally authorized to transact business in this State, separately surveying, inspecting, or examining premises to be insured, by and with the consent of the owner, for the purpose of bringing about improvements in fire protection, so as to lessen the cost of insurance by reducing rates." Penalty for violation, revocation of license.

**ANTI-DISCRIMINATION**—Ins. Law 1912. Sec. 20. "No insurance company or insurance agent doing business in this State shall enter into any contract to rebate any insurance premium or any part thereof of any insured or other person. \* \* \*" Special contracts, board contracts, or any other form of policy or contract whereby any discrimination is allowed, is prohibited.

**ATTORNEY**—A resident of the State must be appointed to accept service of legal process. Penalty for non-compliance, revocation of license.

**CANCELLATION OF POLICY**—No requirement as to notice to insured.

**CAPITAL REQUIRED**—Company must possess at least \$100,000 capital.

**COMMISSIONS TO NON-RESIDENTS**—No provision.

**DEPOSIT**—Sec. 4 provides that all fire, marine and inland insurance companies chartered by other States or foreign governments must deposit with the Treasurer of Georgia bonds of the United States, or bonds of that State, or bonds of any county or municipality in Georgia which have been validated under the laws to the face value of \$10,000, which bonds shall be receipted for by the State Treasurer. All bonds must be registered. Fees to State Treasurer and Bond Commissioner, on deposits, as follows: Deposit not over \$5000, fee \$2; \$10,000, \$3.75; \$25,000, \$7.50; \$50,000, \$12.50; \$100,000, \$20; over \$100,000, \$25.

**DOMESTIC COMPANIES**—Act 301, Sec. 2. "Any number of persons not less than five may form a company, but before receiving a certificate of incorporation under this act shall file a petition, in writing, addressed to the Secretary of State, in which petition shall be stated the name and residence of each of the persons desiring to form said corporation; the name of the insurance company they desire to have incorporated; the kind or kinds

of insurance they propose to carry on; the amount of the proposed capital stock of the company; the number of shares of the capital stock each of the petitioners agree to take; that they do in good faith intend to go forward without delay to raise the capital stock and organize said company; a request to be incorporated under the laws of this State; that they have given thirty days' notice of their intention to apply for said charter, by publication of said petition in the newspapers publishing the legal advertisements of the county, where the principal office of said company is to be located, once a week for four weeks before the filing of said petition." Sec. 21. "The preceding sections of this act, in so far as they are applicable, be applied to the formation of mutual or co-operative fire companies, but applicants of this class of insurance shall not be required in their petition to set out the amount of the proposed capital stock or the number of shares of the same."

**EXAMINATIONS**—It is the duty of the Insurance Commissioner to make examinations whenever he shall deem it expedient so to do. All expenses to be paid by company. He must investigate domestic companies at least once in five years. (Sec. 3, 1912.) Penalty for refusing to permit examination, revocation of license.

**FEES**—For filing certified copy of charter, or certificate of no change or amendments since last report, \$20; for examination of annual statement, \$20; for certificates of authority or license to agents, \$3 each. Sec. 2059, which imposed these fees, was in 1909 amended by the addition of the following: "Provided, however, that all fire insurance companies doing business in this State shall in lieu of such fees and charges, pay to the Insurance Commissioner one fee of \$200, and upon paying such fee and having otherwise fully complied with the provisions of this article, such fire insurance companies shall be entitled to receive from the Insurance Commissioner certificates of authority for itself and its agents to transact business in this State." Fee for assessment company not operating in more than four counties, \$25. For certificate of incorporation, domestic companies, \$100. Also (Sec. 12) every local insurance agent or firm, doing business in this State, shall pay a tax of \$10 for each county in which they shall solicit business, and every traveling, special or general agent shall pay a tax of \$75, which said agent must pay before he or they shall be authorized to act as an agent for any of their companies. (See also Publication and Examinations.) License fees are payable to the Insurance Commissioner. Fee to Secretary of State for filing certified statement for registration, \$1 for the first return; 50 cents for each later annual return. See "Deposit."

**FIRE DEPARTMENT TAX**—Governed by reciprocal law.

**FIRE MARSHAL**—Ins. Law 1912 provides for the appointment by the Insurance Commissioner of a "Fire Inspector," whose duty it shall be to investigate causes of fires. A tax of not more than one-tenth of one per cent on the gross premium receipts of fire insurance companies is imposed to liquidate the expenses of the fire inspector's department.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—None required.

**IMPAIRMENT**—None permitted.

**INVESTMENTS PRESCRIBED**—U. S., D. C., State, county, municipal or Federal Land Bank bonds; first mortgages on real estate; home office building; railroad and other bonds, etc., acceptable by Federal Reserve Banks.

**LICENSED BROKERS**—No provision; former statute authorizing licensing of brokers to deal with outside companies was repealed.

**LIMIT ON A SINGLE RISK**—No provision.

**LLOYDS**—No special provision.

**MISCELLANEOUS**—Ins. Law, 1912, provides that the promotion of new companies shall be under the supervision of the Insurance Commissioner, and that no officer, agent or other person selling stock in any insurance company shall receive, either directly or indirectly, more than ten per cent of the sales of said stock. Salaried officers of companies are forbidden to participate in the commissions arising from the sale of stock. Penalty for removal, by company, of a suit to a Federal court, without consent of other party to the suit, revocation of license, which shall not be renewed in less than two years.

**MUTUAL COMPANIES**—The Insurance Law of 1912 provides that all mutual fire insurance companies chartered under the laws of Georgia shall, before receiving a license from the Insurance Commissioner, deposit with the State Treasurer, registered bonds of the United States or of Georgia, or of any county or municipality in Georgia, registered and validated, in the sum of \$10,000. Companies operating in not more than four counties in a division of the State and farmers' co-operative companies doing business on the assessment plan are exempt from this requirement.

**PRELIMINARY DOCUMENTS**—Company must file with the Insurance Commissioner a certified copy of its charter, or act of incorporation, and a verified statement showing its financial condition on December 31 preceding. Certificate of compliance with laws of company's home State must be filed annually by March 1.

**PUBLICATION**—Semi-annual statements must be published in a newspaper of general circulation in the State. (Expense, about \$20 in January and \$5 in July.

**RECIPROCAL INSURANCE**—No special provision.

**RECIPROCAL LAW**—Ins. Laws, Sec. 13. "Be it further enacted, that whenever the existing laws of any other State of the United States shall require of insurance companies chartered by this State, or of the agents thereof, any deposit of securities in such State for the protection of policyholders or otherwise, or any payment or penalties, certificates of authority, license fees or otherwise, greater than the amount required for such purposes from similar companies of other States by the then existing laws of this State, then, and in every such case, all companies of such State, establishing, or

having heretofore established, an agency or agencies in this State, shall be, and are hereby, required to make the same deposit, for a like purpose, with the Insurance Commissioner of this State, and to pay to said Commissioner for penalties, certificates of authority, license fees or otherwise, an amount equal to the amount of such charges imposed by the laws of such State upon companies of this State and the agents thereof."

**REINSURANCE**—No prohibition of reinsurance in unlicensed companies. Reinsurance contracts of Georgia companies must be approved by Insurance Department.

**REINSURANCE RESERVE**—Fifty per cent of premium on all fire policies having less than one year to run, according to New York percentage table on longer risks, and entire first year's premium on marine and inland risks.

**RESIDENT AGENTS**—Act of December 24, 1896, Sec. 1 (as amended in 1901). "That fire insurance companies not incorporated by the laws of the State of Georgia, but legally authorized to do business in this State through regularly commissioned and licensed agents located in this State, shall not make contracts of fire insurance on property herein save through agents of such companies regularly commissioned and licensed to write policies of insurance in Georgia; provided, however, that this act shall not apply to property of railroad companies and other common carriers." Signing a blank policy to be filled out outside the State on property within the State is a misdemeanor. Affidavit of compliance required. Penalty for violation, revocation of license for twelve months.

**SEMI-ANNUAL STATEMENTS**—Must be made to the Governor, accompanied by a copy of the published statement, within sixty days from January and July 1. Synopsis of statement to be printed in paper of general circulation. Penalty for non-compliance, revocation of license.

**STANDARD POLICY**—The new New York standard form, prior to amendment of 1917, has been required to be used since January 1, 1918.

**TAXES**—One and one-half per cent upon gross premium receipts less premiums on canceled policies, payable by July 1. No deduction for reinsurance. This does not exempt real or personal property in the State from taxation, and applies to brokers as well as to foreign and domestic companies. Penalty for non-compliance, \$500. Tax is payable to Insurance Commissioner. (All insurance companies are now exempt from the tax on capital levied by Sec. 2 of the general tax act passed in 1905.) "Every fire insurance company and life insurance company incorporated under the laws of this State and doing business on the legal reserve plan, shall be required to return for taxation all of its real estate as other real estate is returned, and all of the personal property owned by such company shall be returned as other personal property is returned for taxation, and the value of personal property owned by it shall be ascertained in the following manner: From the total value of the assets held by the company both real and personal, shall be deducted the assessed value of all the real estate owned by the company in this State; the non-taxable bonds deposited by

the company with the State Treasurer and the amount of the reserve or net value of its policies required by law to be held by the company for its policyholders and which belong to such policyholders; the remainder shall be the value of the personal property owned by and taxable against such company."

Provision is made for the reduction of the tax when a certain percentage of a company's assets is invested in Georgia securities.

**TAX STATEMENTS**—Must be filed with Insurance Commission within sixty days after May 1 for the year ending April 30.

**VALUED POLICY**—See Anti-Coinsurance.

### COUNTY TAXES AND FEES.

Special, general and traveling agents are required to pay \$75 to the tax collector of the county of the residence of agent, which gives them the right to do business throughout the State. This tax or fee is in addition to the fee charged companies under the act of October 24, 1887. "Occupation taxes, which are imposed upon agents, are a personal tax, and are payable, under the present statute, to the tax collector of the counties in which the agents do business."

### MUNICIPAL TAXES AND FEES.

**ABBEVILLE**—For each company, \$20.

**ACWORTH**—For each company, \$5, payable January 1.

**ADEL**—For each agent, \$10; for each company, \$20 per annum, from date of issue.

**ADRIAN**—For each company, \$5, payable February 1.

**ALBANY**—For each company writing less than \$500 of premiums, \$25; \$500 to \$1000, \$35; \$1000 to \$1500, \$50; \$1500 to \$7500 at intervals, \$20, \$30, \$40.

**AMERICUS**—For each company, \$10, payable January 1.

**ARLINGTON**—For each company, \$12.50, payable February 1.

**ASHBURN**—For each company, \$10 per annum, payable January 1.


**ATHENS**—For each company or agent, \$25, payable April 1, and 1½ per cent on net premiums, payable January 1.

**ATLANTA**—For each company, ~~\$50~~ <sup>60.00</sup>, payable July 1; for each company, one per cent on gross premiums, quarterly, January 15, April 15, July 15 and October 15. For an insurance broker, \$200 per annum and 1 per cent on gross receipts of all insurance sold in city, payable quarterly.

**AUGUSTA**—For each company, \$100; for each marine insurance company, \$25; for each broker or firm placing business out of the State, \$100, payable January 20; also 1½ per cent on premiums payable quarterly, April 1, July 1, September 1 and January 1; transient solicitor, \$25 per week.

**AUSTELL**—For each company, \$5, payable January 1.

**BAINBRIDGE**—For each company, \$20, payable May 1.

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- BARNESVILLE—For each company, \$11 ; for each agent, \$10, payable October 1.
- BARTOW—For each company, \$5, payable January 1.
- BAXLEY—For each company, \$5, payable April 1.
- BLACKSHEAR—For each company, \$3, payable March 1.
- BLAKELY—For each company, \$15, payable January 1.
- BLUE RIDGE—For each company, \$10, payable January 1.
- BOSTON—For each company, \$12.50, payable March 1 or September 1.
- BREMEN—For each company, \$10, payable January 31.
- BROXTON—For each company, \$5, payable February 1.
- BRUNSWICK—For each company, \$50, payable January 1.
- BUFORD—For each company, \$10, payable not later than February 1.
- BUENA VISTA—For each company, \$10, payable February 1.
- BUTLER—For each company, \$10, payable January 1.
- CAIRO—For each company, \$10 ; agents, \$5, payable January 1.
- CALHOUN—For each company, \$5, payable January 1.
- CAMILLA—For each company, \$15, payable not later than April 15.
- CANTON—For each company, \$2, collected annually after January 1.
- CARLTON—For each agent, \$10.
- CARROLLTON—For each company, \$15 per annum, payable October 1.
- CARTERSVILLE—For each company, \$15, payable February 15.
- CEDARTOWN—For each company, \$10, payable date of beginning business.
- CHAUNCEY—For each company, \$5, payable January 1.
- CHIPLEY—For each company, \$10 per annum.
- CLAYTON—For each company, \$5 per annum.
- COCHRAN—For each company, \$10, payable September 1.
- COLUMBUS—For each company, for each agent appointed, \$50, payable by March 1 ; also 2 per cent on gross premiums, payable January 1. For each broker or firm, for each company in which he (or it) undertakes to place insurance out of the State, on property within the State, \$75. For transient insurance solicitor, \$75.
- COLQUITT—For each company, \$5, payable January 1.
- COMER—For each company, \$2.50, payable January 1.
- COMMERCE—For each company, \$10 ; for each agent, \$10 ; payable September 1.
- CONYERS—For each company, \$10.25 ; payable January 15.
- CORDELE—For each company, \$20, payable January 1.
- CORNELIA—For each company, \$10, payable January 1.
- COVINGTON—For each company, \$11 ; for each agent, \$6, payable January 1.
- CRAWFORDSVILLE—For each company, \$5, payable September 1.
- CUTHBERT—For each company, \$16, payable January 1.
- DALTON—For each company, \$25, payable March 1.
- DARIEN—For each company, \$15, payable January 1.
- DAVISBORO—For each company, \$5, payable January 1.
- DAWSON—For each company, \$15, payable January 1.

- DONALDSVILLE—For each company, \$10, payable March 1.  
 DOUGLAS—For each company, \$10, payable February 20.  
 DUBLIN—For each company, \$25, payable January 1.  
 EASTMAN—For each company, \$10, payable January 1.  
 EATONTON—For each company, \$15, payable September 1.  
 EDISON—For each company, \$12.50, payable January 1.  
 ELBERTON—For each company, \$10, payable February 1.  
 ELLAVILLE—For each company, \$10.50, payable January 1.  
 FAYETTEVILLE—For each agent, \$10, payable September, or when the first business is done.  
 FITZGERALD—For each company, \$15, payable by February 1.  
 FORT GAINES—For each company, \$10, payable May 1.  
 FORT VALLEY—For each company, \$10, payable April 1.  
 FORSYTH—For each agent, \$10, payable April 1.  
 GAINESVILLE—For each company, \$10.50, payable January 1.  
 GARFIELD—For each company, \$10 per annum.  
 GLENVILLE—For each company, \$10, payable January 1.  
 GRANTVILLE—For each company, \$2.50, payable January 1.  
 GRIFFIN—For each company (for any number of canvassers), \$20; for each agent, \$5, payable January 1.  
 HAHAIRA—For each company, each agent, \$5, payable June 1.  
 HAMPTON—For each agent, \$10, payable January 1.  
 HARTWELL—For each company, \$20, payable May 1.  
 HAWKINSVILLE—For each company, \$10, payable on date of commencing business.  
 HAZELHURST—For each company, \$5, payable January 1.  
 HELENA—For each company, \$10, payable January 1.  
 HOGANSVILLE—For each company, \$10, payable January 1.  
 JACKSON—For each company, \$15; for each agent, \$5, payable January 15.  
 JEFFERSON—For each company, \$10; for each agent, \$15, payable January 1.  
 JESUP—For each company, \$10 per annum, payable January 1.  
 JONESBORO—For each company, \$10, payable January 1.  
 LA GRANGE—For each company, \$10, payable January 1.  
 LAVONIA—For each company, \$10, payable January 1.  
 LITHONIA—For each agent, \$10, payable annually.  
 LOUISVILLE—For each company, \$5, payable September 1.  
 LUMPKIN—For each company, \$7.50, payable January 1.  
 LUTHERSVILLE—For each company, \$10, payable January 1.  
 MACON—For each company, for each agency, \$100, payable January 15; also  $1\frac{1}{4}$  per cent tax on gross premiums, payable quarterly January 1, April 1, July 1 and October 1.  
 MADISON—For each company, \$10, payable January 1.  
 MARIETTA—For each company, \$15, payable February 1.  
 MARSHALLVILLE—For each company, \$5, payable January 1.

- McDONOUGH**—For each company, \$5, payable April 1.
- McRAE**—For each company, \$10, payable January 1.
- MAYSVILLE**—For each company, \$5, payable February 1.
- MEIGS**—For each company, \$10, payable February 1.
- MILLEDGEVILLE**—For each agent of each company, \$10, payable January 1; also two and one-half per cent on premiums, payable monthly on first of month.
- MILLEN**—For each company, \$5, payable February 1.
- MOLENA**—For each agent, \$5, payable February 1.
- MONROE**—For each agent, \$10, payable when issued.
- MONTEZUMA**—For each company, \$15, payable January 1.
- MONTICELLO**—For each company, \$10, payable February 10.
- MORELAND**—For each company, \$5, payable January 1.
- MORGAN**—For each agent, \$10, payable annually.
- MORGAN CITY**—For each company, \$5, payable January 1.
- MOULTRIE**—For each company, \$15, payable October 1.
- NASHVILLE**—For each company, \$5, payable January 1.
- NEWMAN**—For each agent, \$10 per annum, payable January 1.
- NORMAN PARK**—For each company, \$10, payable January 1.
- OCILLA**—For each company, \$10, payable February 1.
- OGLETHORPE**—For each company, \$5.
- PAVO**—For each company, \$10.
- PELHAM**—For each company, \$10, payable when issued.
- PERRY**—For each company, \$5, payable June 30.
- PINEHURST**—For each company, \$10, payable March 1.
- PLAINS**—For each company, \$10, payable January 1.
- QUITMAN**—For each company, \$10, payable August 1.
- REYNOLDS**—For each company, \$5, payable January 1 annually.
- RICHLAND**—For each company, \$10, payable January 1.
- ROBERTA**—For each company, \$5 per annum.
- ROCHELLE**—For each company, \$10, payable from date of commencing business.
- ROCKMART**—For each company, \$7.50, payable April 1.
- ROME**—For each company, \$25; also 2 per cent on all premiums above \$1000, payable April 1.
- ROYSTON**—For each company, \$10, payable annually January 1.
- RUTLEDGE**—For each agent, \$5, payable January 1.
- SANDERSVILLE**—For each company, \$10.25, payable January 1.
- SAVANNAH**—For each fire or marine company or for each agent or broker thereof, ~~\$200 (less 10 per cent)~~. An agent or broker must pay \$200 for each company which he represents or to which he sends business, unless the tax is paid by the company itself. This includes brokers operating under the State law of December 24, 1894, authorizing them to deal with unlicensed companies. Every average or insurance adjuster for companies for which he is not the local insurance agent, \$50.
- SENOIA**—For each company, \$15, payable January 10.

- SEVILLE—For each company, \$5, payable from beginning business.  
 SHADY DALE—For each company, \$5, payable January 1.  
 SHELLMAN—For each company, \$15, payable March 1.  
 SMITHVILLE—For each company, \$10 per annum.  
 SOCIAL CIRCLE—For each company, \$10, payable January 1.  
 SOPERTON—For each company, \$5, payable January 1.  
 SPARKS—For each company, \$5, payable January 1.  
 SPARTA—For each company, \$15, payable January 1.  
 STATESBORO—For each company, \$10, payable December 1.  
 STONE MOUNTAIN—For each agent, \$10, payable March 1.  
 SWAINSBORO—For each agent, \$10, payable January 1.  
 SYCAMORE—For each company, \$5, payable January 1.  
 SYLVANIA—For each agent, \$10, payable June 15.  
 SYLVESTER—For each company, \$10, payable January 1.  
 TALLAPOOSA—For each company, \$10, payable January 1.  
 TALBOTTON—For each company, \$5, payable January 16.  
 TENNILLE—For each company, \$10, payable February 1.  
 THOMASTON—For each company, \$10; for each agent, \$10, payable May 1.  
 THOMASVILLE—For each company, \$31.25, payable March 1.  
 THOMSON—For each company, \$15, payable March 1.  
 TIFTON—For each company, \$15.  
 TOCCOA—For each company, \$5.75, payable May 10.  
 UNADILLA—For each company, \$10, payable August 1.  
 UNION POINT—For each agent, \$2.50, payable January 10.  
 VALDOSTA—For each company, \$50, payable June 1.  
 VIDALIA—For each company, \$5, payable February 1.  
 VIENNA—For each company, \$10, payable annually, February 1.  
 VILLA RICA—For each agent, \$15, payable February 1.  
 WADLEY—For each company, \$10, payable January 1.  
 WARRENTON—For each agent, \$25, payable March 1.  
 WASHINGTON—For each company, \$25; each agent, \$10; payable February 1.  
 WAYCROSS—For each company, \$25, payable January 15.  
 WAYNESBORO—For each company, \$10, payable October 1.  
 WEST POINT—For each company, \$10; each agent, \$10, payable January 1.  
 WILLACOACHEE—For each company, \$10, payable January 1.  
 WINDER—For each company, \$10, payable January 1.  
 WRIGHTSVILLE—For each company, \$12, payable March 15.

On or before

# CALENDAR—GEORGIA

- Jan. 15 Pay fee for deposit or filing bond.  
 March 1 Agents' licenses must be secured. Annual statement must be filed. Certificate of compliance must be filed. Semi-annual statement must be made to Governor. (This statement must be published.) Company license must be secured and \$200 fee paid.

July	I	Tax statement must be filed. Premium tax is payable. Fire marshal tax is payable.
Sept.	I	Semi-annual statement must be made to Governor. (This statement must be published).
Nov.	I	Certified statement for registration must be filed with Secretary of State.

# HAWAII.

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**ADJUSTERS' LICENSE**—Any person making an adjustment of loss or damage by fire must be licensed, such license to expire on April 15.

**AGENTS DEFINED**—Any person who negotiates for or places risks for any insurance company or in any way or manner aids in effecting insurance, is construed as being an agent for such company.

**AGENTS' LICENSES**—Agents must procure licenses, which expire on the fifteenth day of April thereafter. Licenses renewed on application by company. Agent must file statement conforming to Sec. 16. Corporation or firm may act as agent. Agent or firm must have place of business in Hawaii. Company must file agent's application with Commissioner.

**ANNUAL STATEMENTS**—Must be filed on or before the fifteenth of April, showing the total business done in the Territory during the year ending December 31, next preceding, also a statement showing the company's condition as of December 31. Time may be extended sixty days on request. Domestic corporations must also file corporation reports annually.

**ANTI-COINSURANCE**—No prohibition of coinsurance clauses.

**ANTI-COMPACT**—Sec. 46. "Except as contained in the policy and the usual contract for other insurance, no insurance company or insurer or rating bureau shall make any contract or agreement with any person insured or to be insured that the whole or any part of the insurance shall be written by, or placed with any particular company, insurer, agent or group of companies, insurers or agents."

**ANTI-DISCRIMINATION**—Unfair discrimination between risks in the application of like charges and credits or between risks of essentially the same hazard and having the same degree of protection against fire is prohibited.

**ANTI-REBATE**—No insurance company or agent thereof shall make any contract or agreement with reference to any insurance other than is expressed in the policy. No agent in writing insurance shall offer as an inducement any rebate or premium or special advantage in dividends, or any inducement of any value whatever. Violators shall be guilty of misdemeanor and shall be punishable by a fine of \$100 or by imprisonment of from ninety days to six months.

**ATTORNEY**—Insurance Commissioner must be appointed attorney to accept service of process. Service may be made upon authorized resident or upon the Insurance Commissioner.

**CANCELLATION OF POLICY**—No provision.

**CAPITAL REQUIRED**—Company must possess a paid-up and unimpaired capital or net surplus of not less than \$100,000.

**COMMISSIONS TO NON-RESIDENTS**—No provision.

**DEPOSIT**—(Insurance Laws, Secs. 11 and 34.) A company organized outside of the United States must file a certificate showing that it has deposited with some insurance department of the United States, for the benefit of all policyholders in the United States, securities to the value of at least \$100,000. Foreign Lloyds associations and domestic and foreign inter-insurers must deposit with the Territorial Treasurer, for the protection of policyholders in Hawaii, securities valued at at least \$25,000, unless such association has not less than \$50,000 deposited with some State Insurance Department for the benefit of all policyholders in the United States. If any underwriter of a Lloyds is not a citizen of the United States, each said underwriter shall deposit with the Territorial Treasurer, through the Commissioner, \$5,000 in cash or securities, unless such underwriter is one of an association having on deposit, with some State, securities worth at least \$100,000, held in trust for the benefit of all policyholders in the United States. Each foreign company must file surety bond for \$2500 to secure payment of any court judgment.

**DOMESTIC COMPANIES**—May be organized as are other joint stock companies. Must have minimum capital, \$100,000, with surplus of 25 per cent clear after payment of stock-selling expense. For each additional kind of insurance transacted company must have \$50,000 additional capital; but company with \$350,000 "may transact any or all kinds of insurance authorized by the insurance law."

**EXAMINATIONS**—Domestic companies must be examined annually. Commissioner may examine any insurance company, or rating bureau, or company in process of organization. Expense of examination of an insurance company shall be borne by company examined unless remitted by Commissioner.

**FEES**—For filing articles of incorporation or certified copy of articles, and by-laws, if filed as one act and covered by one certificate, \$25; verified statement of financial condition (not annual statement required yearly), \$1; certified copy of examination by some insurance department of the U. S., \$10; certificate of qualification in home State, \$10; resolution and power of attorney to Commissioner, \$1; authority of resident to accept service, \$1; application for agent's license and agent's statement of agreement, \$1; annual statement of condition, \$10; annual statement of transactions in Hawaii, \$10; certificate of authority to company, \$10; agent's license, \$2; adjuster's license, including application, \$2; copies of papers, per folio, 25 cents; certification, \$1.

**FIRE DEPARTMENT TAX**—No provision.

**FIRE MARSHAL**—(Sec. 49, Insurance Code, 1917.) Insurance Commissioner is ex-officio Fire Marshal, and shall investigate into the cause and origin of all fires and punish those whom he deems guilty of negligence or carelessness.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—Required when applying for initial license.

**GENERAL PENALTIES**—Violation of any of the sections of the insurance laws may result in revocation of license. After revocation, license shall not be renewed until penalty of \$500 is paid. Any violation of the law is punishable by a fine of \$25 to \$1,000 and discretionary revocation of license. Representation of unauthorized company or violation of any provision by an officer or agent of a company is punishable by a fine of \$10 to \$500 or imprisonment from ten days to thirty days, or both, and discretionary revocation of license. Penalty for making false entries or reports by officer or employee of an insurance company or association is \$25 to \$5,000 or imprisonment for and not to exceed one year, or both. Penalty for false statements by agent, solicitor, etc., \$100 to \$1,000 or imprisonment for one month to one year.

**IMPAIRMENT**—Act 115, Laws of 1917, Sec. 28. "When the paid-in capital of any domestic insurance company is impaired it may, voluntarily, and shall, upon the order of the Commissioner, fully correct such condition, either by making good such impairment, or by reducing the capital and par value of the shares, so that the assets are at least equal to the then par value of the paid-in capital; but no part of its assets shall be distributed to the stockholders. No reduction shall be made which would reduce the par value of the paid-in capital and surplus of such company below the minimum capital and surplus required for transacting the kind or kinds of insurance in which it is engaged, nor shall such reduction be made except upon vote of not less than three-fourths of all the shares of stock, or if two or more classes of stock have been issued, of three-fourths of each class of stock outstanding and entitled to vote, which shall be certified by the secretary to the Commissioner at or before the filing of the amendment to the capital stock." License is suspended if impairment equals 25 per cent of capital.

**INVESTMENTS PRESCRIBED**—Companies may invest in (a) real estate for business purposes, in no case to exceed 10 per cent of its admitted assets; also real estate acquired through foreclosure of loans and in payment of debts; (b) bonds and notes secured by first mortgage or deeds of trust or unencumbered real estate worth 50 per cent more than the amount loaned thereon; (c) bonds which are a direct obligation of the United States, or of the Territory or any municipal subdivision thereof, or of any State, county, city or town, township or school district within the United States, either having a population of more than 100,000, or whose indebtedness does not exceed 5 per cent of the valuation of the property assessed; (d) bonds and notes of any railroad, street railway, or public utility located in the Territory or wholly or principally in the United States, the capital stock of which equals at least one-third of its funded indebtedness; (e) in loans secured by collateral security consisting of any of the above. Also in the stocks and



bonds and other evidences of indebtedness of any solvent dividend-paying corporation of any State or Territory of the United States, District of Columbia, or Dominion of Canada. Also in loans upon collateral security of any of the foregoing securities. Not more than 10 per cent of a company's assets may be invested in a single security, nor shall it own more than 10 per cent of the stock of any corporation.

**LICENSED BROKERS**—Sec. 38. A "surplus lines" license, expiring on April 15, may be issued to any regularly licensed agent authorizing him to act as agent for foreign unauthorized fire insurance company. Such agent must execute a bond in \$2,000. In writing surplus line business, statement must be made to Commissioner that such insurance is not obtainable in companies licensed in Hawaii. Fee for such license shall be \$25. Tax on insured shall be 5 per cent of premiums.

**LIMIT ON A SINGLE RISK**—The maximum single risk which may be assumed by any company shall be 10 per cent of its paid-in capital and surplus. For five years this will not affect Hawaiian companies. For mutual companies, maximum is not greater than 20 per cent of the surplus, or three times the average policy or one-half of 1 per centum of the insurance in force, whichever is greater. A Lloyds association's limit is one-fifth of its cash and invested assets, including therein the underwriting liability of the individual underwriters, unless any excess shall be reinsured at the same time by the special underwriters.

**LLOYDS**—Sec. 34, Insurance Code. Individuals, partnerships or associations of individuals hereby designated underwriters, are authorized to engage in the business of insurance in the Territory as insurers on the Lloyd's plan upon compliance with the insurance law. See "Deposit." Maximum single risk shall not be in excess of one-fifth of cash invested assets. Lloyds must pay same taxes and fees as required of stock companies. Domestic and foreign Lloyds must maintain a fund equal to the minimum paid-in capital and surplus required of domestic stock corporations; must have at least twenty-five underwriters, each worth \$20,000, net, and (if foreign) file certificate showing that it is authorized by its home Insurance Department.

**MISCELLANEOUS**—No policy shall prescribe in what court an action may be brought thereon, or that no action shall be brought thereon. Act 115, Laws of 1917, Sec. 60. "In the event of the total destruction of any insured building, on which the amount of the appraised or agreed loss shall be less than the total amount issued thereon, the fire insurance company or companies shall return to the insured the unearned premiums on the policies involved in the loss for the excess of insurance over the appraised or agreed loss, to be paid at the same time and in the same manner as the loss shall be paid." Over-insurance is forbidden under penalty of twice to ten times excess premium over that on actual value. Insured may demand detailed statement of his rate; suggestions for decreasing same, and survey of property insured.

**MUTUAL COMPANIES**—Insurance Laws, Sec. 11. Mutual companies shall be organized in the manner provided by law for the organization of joint stock companies. The title must include the word "mutual." A domestic or foreign mutual company must have bona fide applications for, or have outstanding a minimum of twenty policies for twenty members on at least two hundred separate risks, each within the maximum single-risk limit; must have collected a cash premium deposit upon each application and hold admitted assets for not less than five times the maximum single risk, nor less than \$10,000.

**PRELIMINARY DOCUMENTS**—Company must file copy of articles of incorporation and verified statement of its financial condition. It must also submit to personal examination by Commissioner, or in lieu thereof, furnish certified copy of an examination made within five years by an insurance department of the United States, or other authority satisfactory to the Commissioner's certificate of home Insurance Department, that company is authorized to transact class of insurance for which license is applied for, is also required.. No repetition of filing of character, etc., required, except in case of change in charter, capital stock or deposit. Penalty for soliciting insurance without having complied with the above requirements, a fine of not less than \$100, nor more than \$500. Power of attorney need be filed but once.

**PUBLICATION**—None required. Any company publishing or advertising its assets shall at the same time give equal prominence to its liabilities. A publication purporting to show the capital of any insurance company shall state separately the amount of paid-in and subscribed capital.

**RATING BUREAUS**—Every company must be a member of or maintain a rating bureau, but of not more than one such bureau for the purpose of writing such risk against the same hazard. A bureau consisting of two or more insurers shall admit any insurer applying therefor, upon paying a reasonable fee not to exceed \$50. The expenses of the bureau shall be shared proportionately to net premiums upon the business rated by such bureau. Rating bureaus are under the supervision of the Insurance Commissioner, who may attend all meetings of the bureau and its committees.

**RECIPROCAL INSURANCE**—Domestic and foreign inter-insurers shall file an application signed by their duly authorized attorney, setting forth the name, principal office and other offices, kind of insurance exchanged, copy of agreement and power of attorney, and copy of each form of policy, and shall make the deposit prescribed under the title of "Deposit." Each association must have applications for or outstanding contracts for seventy-five separate risks, or risks aggregating \$1,500,000 covering a minimum of fifty separate risks, and shall file a certificate showing that the association is licensed in its home State.

**RECIPROCAL LAW**—None.

**REINSURANCE**—No credit is allowed, in computing taxes on premiums,

for reinsurance in unauthorized companies, nor for reinsurance in authorized companies unless placed through or with local agents.

**REINSURANCE RESERVE**—Not less than 50 per cent on the amount received as premiums on all unexpired risks and policies for one year, and pro rata for longer periods. Commissioner may allow pro rata reserve for shorter periods than one year.

**RESIDENT AGENTS**—(Ins. Law, Sec. 10.) Business shall only be transacted through licensed agents. This section applies to both fire and marine business, but does not apply to the acceptance of or the effecting of reinsurance, nor to policies issued from the home office of a domestic company.

**SEMI-ANNUAL STATEMENTS**—None required.

**STANDARD POLICY**—Sec. 37, Insurance Code, 1917. "From and after the first day of January, 1918, the standard fire insurance policy of the State of New York as authorized and on file in the office of the Superintendent of Insurance of the State of New York on the first day of January, 1918, is hereby established as the standard form of fire insurance policy for the Territory of Hawaii." Lloyd's policies must have name and address of each underwriter on the back.

**TAXES**—Sec. 59, Insurance Code, 1917. Companies shall pay to the Treasurer, through the Insurance Commissioner, a tax of two per cent on gross premiums received from all risks located in and all business done within the Territory during the year ending December 31, less return premiums and reinsurance placed through local agents in authorized companies. Taxes shall be due and payable on June 30. Lloyds and inter-insurers are subject to the same taxation as stock companies.

**TAX STATEMENTS**—Companies must file annually before April 15 a statement setting forth total business transactions and the amount of gross premiums received during the year ending December 31 of all business done within the Territory.

**VALUED POLICY**—No provision. See "Miscellaneous."

#### CALENDAR—HAWAII

On or before

April 15 Agents' and adjusters' licenses must be procured. Annual statement must be filed. Company license must be secured.  
Tax statement must be filed.

June 30 Premium tax is payable.

# IDAHO.

## STATE REQUIREMENTS.

**AGENTS DEFINED**—Law, March 14, 1911, Sec. 36. "Any person who for compensation, or otherwise, solicits insurance on behalf of any company receiving applications for insurance of any kind whatsoever, or transmitting for a person other than himself an application for a policy of insurance to or from such company, or offers or assumes to act in the negotiation of such insurance, or in any manner aids in the transaction of the business of an insurance company incorporated in this State or out of it shall be deemed an agent within the intents and purposes of this act."

**AGENTS' LICENSES**—Each agent is required to obtain a license. All licenses expire annually March 31. Penalty for acting as agent without certificate of authority, fine not exceeding \$100, or imprisonment not exceeding six months, or both. Companies must apply for licenses.

**ANNUAL STATEMENTS**—Must be filed with Commissioner of Insurance on or before March 1. These and tax statements are only ones required annually.

**ANTI-COINSURANCE**—No prohibition of coinsurance clauses.

**ANTI-COMPACT**—No provision.

**ANTI-DISCRIMINATION**—Sec. 44, Ins. Laws, provides that no insurance company, its agents or sub-agents, or any other person, shall offer to pay or allow any rebate of premium payable on a policy. And, furthermore, no person shall receive any rebate on a policy. Penalty for violation, fine of not more than \$100, or imprisonment for six months, or both.

**ATTORNEY**—Sec. 56, Ins. Laws, provides that the Commissioner of Commerce and Industry must be appointed to accept service of legal process. Two copies of power of attorney are required. See "Preliminary Documents."

**CANCELLATION OF POLICY**—No requirement as to notice to insured.

**CAPITAL REQUIRED**—Domestic company, \$100,000 capital paid up; foreign company, \$200,000 capital paid up. Foreign fire and marine so licensed must not transact ocean marine without having \$100,000 additional capital and \$50,000 surplus (or \$50,000 surplus, if a foreign mutual company). (Sec. 30, Ins. Laws.)

**COMMISSIONS TO NON-RESIDENTS**—Full commissions must be received by resident licensed agents.

**DEPOSIT**—No requirement, except that foreign companies are required to have \$100,000 on deposit in one of the United States. Companies from foreign countries must have a deposit of \$200,000 in this State or one of the United States. (See "Investments Prescribed.") Certificate concerning deposits must be filed annually by each company. (Sec. 26, Ins. Laws.)

**DOMESTIC COMPANIES**—Any number of persons may form an insurance company. They shall file a copy of the articles of incorporation with

the Commissioner of Insurance, who shall commission the person named therein to open books for the subscription of stock, if found to be in accordance with law. After the capital has been paid in, the Commissioner of Insurance shall examine the company, and if all legal requirements have been met, shall issue a license to commence business. The name of such company must not be the same as another corporation transacting the same class of business in the State, or so nearly alike as to be calculated to deceive.

**EXAMINATIONS**—The Commissioner of Insurance is authorized to examine a domestic or foreign company as often as he deems it expedient, at least once in three years; but he may accept the certificate of the Commissioner of Insurance of any State who has recently examined the affairs of any foreign company as evidence of the condition of the company. Cost of examination to be paid by the company examined. License of company in unsound condition must be revoked.

**FEES**—To Commissioner of Insurance. For annual license, \$50; for filing annual statement, \$50 (domestic mutual company, \$10); for agents' certificates (transferable), \$3 each; for filing certified copies of articles of incorporation and for each amendment thereafter, \$10; for examinations, all reasonable expenses; for filing designation of agent for service of process, \$2; for affixing seal of office and certifying any paper, \$1; for each copy of any paper on file, 20 cents a folio; for receiving service of process, \$2 (to be paid by the party requiring such service). Additional fee for filing underwriters' agency title, \$100 (March 31). Fees to Secretary of State upon entry, when authorized capital stock does not exceed \$100,000, \$40; when authorized capital stock exceeds \$100,000 and does not exceed \$500,000, \$60; when authorized capital stock exceeds \$500,000 and does not exceed \$1,000,000, \$100; on capital stock exceeding \$1,000,000, \$150. For filing power of attorney or legal agent, \$2.

**FIRE DEPARTMENT TAX**—No requirement.

**FIRE MARSHAL**—No provision.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—None required.

**IMPAIRMENT**—Ins. Laws, Sec. 61. "Any insurance company transacting business within this State whose capital stock shall become impaired to the extent of twenty-five per cent thereof shall make good such impairment within sixty days by either an assessment upon the stockholders or the reduction of its capital stock; provided that such capital stock shall in no case be less than \$100,000. \* \* \*"

**INVESTMENTS PRESCRIBED**—Minimum capital (or surplus of a mutual company) of both domestic and foreign companies, must be invested in bonds of the United States, or of Idaho, or in interest-paying bonds, when they are at or above par, of the State in which the company is located, or some other State, or in county, municipal or school district bonds in either or both of said States, or in notes or bonds secured by mortgages or unin-

cumbered real estate in Idaho or the State in which the company is located, worth fifty per cent more than the amount loaned thereon. Residue of capital may be invested in, or loaned upon bonds, stocks and mortgages, which are generally regarded as safe and conservative investments. No real estate may be owned, except for the accommodation of its business, and such as is taken in payment of or as security for loans or debts, and the latter must be sold within five years. Time may be extended by the Commissioner of Insurance. Loans may be made upon real or personal property, and investments may be made in stocks, bonds or other securities, but no loan may be made on stock of the corporation. (Secs. 34 and 35, Ins. Laws.)

**LICENSED BROKERS**—Sec. 73, Ins. Laws, provides that all persons obtaining fire insurance in unauthorized companies must make a statement to Commissioner of Insurance and pay 10 per cent of premiums paid, together with \$1 for registering each policy; \$100 fine for violation. (We are informed by the Commissioner of Insurance that this law was held unconstitutional by the Supreme Court.)

**LIMIT ON A SINGLE RISK**—For mutual companies, \$1,000, until \$300,000 of insurance in force; \$2,000, when \$300,000 to \$1,000,000 of insurance in force; \$3,000, when \$1,000,000 to \$2,000,000 of insurance in force; no limit, when \$2,000,000 or more of insurance in force, but no real property shall be insured for more than 75 per cent of its value.

**LLOYDS**—See Reciprocal Insurance.

**MISCELLANEOUS**—Misrepresentation and twisting are prohibited under penalty of misdemeanor; offender is liable to a \$100 fine or imprisonment for not more than six months, or both. Joint stock companies may issue policies of fire insurance under two titles on registering two titles and payment of an annual fee of \$100.

**MUTUAL COMPANIES**—Sec. 86, Ins. Laws. "Twenty-five or more persons, citizens of this State, may form a corporation to carry on the business of fire insurance on the mutual plan; but no such corporation shall begin to do business until a guaranty fund of at least \$25,000 has been provided and deposited in cash or in such securities as are permitted by law in case of stock companies, with the Commissioner of Insurance, under the conditions named in this act, the same to be held as security for the payment of all losses and other policy liabilities of such companies. \* \* \*" Foreign mutual fire insurance companies must possess assets of not less than \$200,000, of which not less than \$50,000 shall be net surplus. Foreign mutual fire insurance companies pay the same fees required of all other joint stock insurance companies doing business in Idaho.

**PRELIMINARY DOCUMENTS**—Company must file with the Commissioner of Insurance certified copy of by-laws and amendments, names and residences of officers and directors, power of attorney to Commissioner of Insurance, a certificate of deposit (if a foreign company), a copy of last examination of the company, and a certified copy of its articles of incorpo-

ration. Insurance Commissioner shall examine a company applying for admission, or may accept a certificate from the Commissioner of Insurance of any State who has recently examined the company. Certificate of compliance of home State is required annually.

**PUBLICATION**—Every advertisement or publication of the financial standing of a company must correspond with its last verified statement to the Commissioner of Insurance. Penalty for violation, \$500. (Sec. 67, Ins. Laws.)

**RECIPROCAL INSURANCE**—Sec. 132. Ins. Laws. "Individuals, partnerships and corporations of this State, hereby designated subscribers, are hereby authorized to exchange reciprocal or inter-insurance contracts with each other, or with individuals, partnerships and corporations of other States and countries, providing indemnity among themselves from any loss which may be insured against under other provisions of the laws." Contracts executed by an attorney in fact. Statement must be filed with Commissioner of Insurance showing applications for indemnity upon at least 100 separate risks, aggregating \$1,500,000 covered by bona fide contracts. Deposit required with attorney, \$25,000. Fee of \$5 for filing certificate of authority, and a tax of 1 per cent of gross deposits received from subscribers.

**RECIPROCAL LAW**—None.

**REINSURANCE**—Company may reinsure the whole or any part of any policy obligation in any solvent and responsible insurance company, whether licensed in Idaho or not, but list must be furnished Commissioner of Insurance giving name of company and amount reinsured. Plans of a retiring or insolvent company for reinsuring all of its business in a non-admitted company must be first submitted to the Commissioner of Insurance. (Sec. 39, Ins. Laws.)

**REINSURANCE RESERVE**—Fifty per cent of the premiums on risks that have less than one year to run, and pro rata on risks that have more than one year to run.

**RESIDENT AGENTS**—Chap. 228, Sec. 31, of Session Laws, 1911, as amended in 1913 and 1915: "It shall be unlawful for any foreign insurance company doing business in this State to make, write, place, or cause to be made, written or placed in this State, any policy, bond, duplicate policy or contract of insurance of any kind or character, or any general or floating policy upon \* \* \* property \* \* \* situated or located in this State unless done through an agent who is resident of this State, legally commissioned and licensed to transact insurance business herein. A resident agent shall countersign all policies so issued \* \* \* and shall receive the full commission when the premium is paid, to the end that the State may receive the tax required by law to be paid on the premiums collected for insurance on all \* \* \* property \* \* \* located within this State." All insurance in this State must be transacted through licensed agents in authorized companies. Licensed agents may exchange the same classes of business with each other. Ruling of Commissioner dated November 11, 1913, fol-

lows: "Companies or agents may accept business from non-resident brokers and agents, but the business must be written by or through resident agent, who shall keep a record of it, countersign all policies, and collect the premiums in full." Penalty for violation, fine of \$500, recoverable in an action at law, and any company neglecting or refusing to pay judgment shall have its certificate of authority revoked for at least one year.

**SEMI-ANNUAL STATEMENTS**—None required.

**STANDARD POLICY**.—Sec. 69. Ins. Laws. "On and after the first day of January, 1914, no fire insurance company, except county mutuals, shall issue any fire insurance policy covering on property or interest therein in this State, other than on the form known as the New York Standard, as now or may be hereafter constituted." Old New York form is still used.

**TAXES**—Two per centum on premiums collected, less return premiums and cancellations, payable on or before April 1. Any insurance company having more than 50 per cent of its assets invested in bonds or warrants of this State or city, or county in State, or in taxable real estate or first mortgage in this State shall pay 1 per cent only. Reinsuring companies authorized to transact business in the State may take credit for premiums received on account of reinsurance from authorized companies. Such premiums are to be reported by, and taxes paid thereon, by the present company. This is in lieu of all taxes on personal property of company, and the shares of stock or assets therein, except taxes on real property. Tax is payable to the Commissioner of Insurance. Sec. 6, Ch. 97, S. L., 1913.

**TAX STATEMENTS**—Must be filed on or before March 1. Penalty for failure to make statement or pay tax for more than thirty days, \$25 for each additional day, and revocation of license until payment of taxes and fine. Sec. 6, Ch. 97, S. L., 1913.

**VALUED POLICY**—In the event of the destruction of any insured property on which the amount of the appraised or agreed loss shall be less than the total amount insured thereon, the company must return to the insured the premium for the extra insurance over the appraised or agreed loss, to be paid at the same time and in the same manner as the loss is paid.

#### COUNTY TAXES AND FEES.

Not permitted.

#### MUNICIPAL TAXES AND FEES.

Not permitted.

On or before

#### CALENDAR—IDAHO.

March 1	Annual statement must be filed.
	Tax statement must be filed.
	Certificate concerning deposits must be filed.
	Certificate of compliance must be filed.
March 31	Agents' licenses must be obtained.
	Company license must be obtained.
	Underwriters' agency title must be registered.
April 1	Premium tax is payable.



# ILLINOIS.

## STATE REQUIREMENTS.

**AGENTS DEFINED**—Sec. 1 g. "The term agent, or agents, under this section, shall include any acknowledged agent, surveyor or broker, or any person or persons who shall in any manner aid in transacting the business of any insurance company not incorporated by the laws of one of the United States."

**AGENTS' LICENSES**—Agents must procure certificates of authority which expire annually January 31. Each firm or agency corporation is licensed as an individual, but when representing companies of other States the licensing is governed by reciprocal law. Penalty for placing business through an unauthorized agent, revocation of license for at least ninety days.

**ANNUAL STATEMENTS**—Must be filed on or before January 31. Penalty for failure to make and file statement of investment, \$500, and \$500 additional for each month company continues to do business in this State; for failure to file annual statement, \$500 and \$500 per month, as above. Penalty for making false statement, revocation of license. Penalty for advertising false statement, \$500. See "Anti-Compact," "Fire Department Tax," "Foreign Companies' Home Office Statements," "Lloyds," and "Tax Statements." Reports of experience by classes of risks (those of the Actuarial Bureau of the National Board of Fire Underwriters, excepting dwelling house classes, which are required to be segregated further according to combustible and non-combustible roof) are required annually.

**ANTI-COINSURANCE**—No restriction.

**ANTI-COMPACT**—An anti-trust law is in effect in Illinois, which is held by the Secretary of State to apply to insurance companies. (A portion of this law, permitting organizations for the maintenance or increase of wages, was declared unconstitutional by the Supreme Court of Illinois, but the remainder of the law is in force.)

**ANTI-DISCRIMINATION**—No provision.

**ATTORNEY**—A resident of the State must be appointed to accept service of legal process, and during any vacancy, service may be made upon the Insurance Superintendent.

**CANCELLATION OF POLICY**—No requirement as to notice to insured.

**CAPITAL REQUIRED**—Stock companies, \$100,000 paid up.

**COMMISSIONS TO NON-RESIDENTS**—No provision. See "Resident Agents."

**DEPOSIT**—Foreign companies are required to have \$200,000 in Illinois, or in some other State, invested in stocks of the United States, or of the State of Illinois, in all cases to be equal to a stock producing six per cent per annum, or in bonds and mortgages of improved, unencumbered real estate in the

State of Illinois, worth fifty per cent more than the amount loaned thereon. A law passed in 1915 allows insurance companies to voluntarily deposit not less than \$25,000 with the Superintendent of Insurance to be kept in trust by him for the protection of all policyholders.

**DOMESTIC COMPANIES**—Thirteen or more persons may incorporate, by filing with the Superintendent a declaration containing a copy of the proposed charter. The latter must be examined and approved, and then an examination made as to bona fide payment of capital. Notice of intention to incorporate must be published once a week for at least four weeks in a newspaper in the county in which the company is to be located. Organization must be completed within two years after the date of filing declaration of organization.

**EXAMINATIONS**—Sec. 23, Laws of 1899. "It shall be the duty of the Insurance Superintendent, whenever he shall deem it expedient so to do in person, or by one or more persons, to be appointed by him for that purpose, not officers or agents of, or in any manner interested in, any insurance company doing business in this State, except as policyholders, to examine into the affairs of any insurance company incorporated in this State, or doing business by its agents in this State; and it shall be the duty of the officers or the agents of any such company doing business in this State to cause their books to be opened for the inspection of the Insurance Superintendent, or the person or persons so appointed, and otherwise to facilitate such examinations so far as it may be in their power to do, and to pay all reasonable expenses incurred therein, and for that purpose the said Insurance Superintendent, or person or persons so appointed by him, shall have the power to examine, under oath, the officers and agents of any company relative to the business of said company, and whenever said Insurance Superintendent shall deem it for the best interest of the public so to do, he shall publish the result of said investigation in one or more papers in this State." Penalty for refusing to permit examination, or to answer Superintendent's inquiries, revocation of license.

**FEES**—Sec. 27. "There shall be paid by every company, association, person or persons, or agent, to whom this act shall apply, the following fees: For filing the declaration or the certified copy of a charter herein required, the sum of \$30; for filing the annual statement required, \$10; for each certificate of authority to agents of companies or associations not incorporated under the laws of this State, \$2 (or more by action of reciprocal law); for each certificate of authority to agents of companies incorporated under the laws of this State, fifty cents; for every copy of paper filed in his office, the sum of twenty cents per folio, and for affixing the seal of said office to such copy and certifying the same, \$1. And in case two or more companies shall combine and effect insurance under a joint policy, each and every company shall pay the fees provided herein, the same as if each company wrote separate and distinct policies." For filing certificate of compliance, by Lloyds, \$2. Fees payable to Director of Trade and

Commerce. See "Reciprocal Law."

X  
FIRE DEPARTMENT TAX—Act of July 1, 1895, as amended in 1901, 1905 and 1909. Sec. 1. "All corporations, companies and associations not incorporated under the laws of this State, and which are engaged in any city, town or village organized under any general or special law of this State, in effecting fire insurance, shall pay to the treasurer of the city, town or village for the maintenance, use and benefit of the fire department thereof, a sum not exceeding two per cent of the gross receipts received by their agency in such city, town or village. \* \* \* Cities, towns and villages are hereby empowered to prescribe by ordinance the amount of tax or license fee to be fixed, not in excess of the above rate, and at that rate such corporations, companies and associations shall pay upon the amount of all premiums which, during the year ending on every first day of July, shall have been received for any insurance effected or agreed to be effected in the city, town or village, by or with such corporation, companies or association, respectively. Every person who shall act in any city, town or village as agent or otherwise, for or on behalf of any such corporation, company or association shall, on or before the 15th day of July, of each and every year, render to the city, town or village clerk a full, true and just account, verified by his oath, of all the premiums which, during the year ending on every first day of July preceding such report, shall have been received by him, or any other person for him, in behalf of any such corporation, company or association, and shall specify in said report the amounts received for fire insurance. Such agent shall also pay to the treasurer of any such city, town or village, at the time of rendering the aforesaid report, the amount of rates fixed by the ordinance of the said cities, towns or villages, for which the companies, corporations or associations represented by them are severally chargeable by virtue of this act, and the ordinance passed in pursuance thereof. If such account be not rendered on or before the day herein designated for that purpose, or if the said rates shall remain unpaid after that day, it shall be unlawful for any corporation, company or association so in default to transact any business or insurance in any such city, town or village until the said requisition shall have been fully complied with; but this provision shall not relieve any company, corporation or association from the payment of any risk that may be taken in violation hereof." Penalty for failure to make accounting and pay tax, a fine not exceeding \$100, or imprisonment not exceeding six months, or both.

X  
FIRE MARSHAL—There is a State Fire Marshal, whose duty it is to investigate fires.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—"Foreign insurance companies shall be required to make and file their annual statements and evidences on the first day of January in each year, or within thirty days thereafter, made out for the year ending on the preceding 30th

of September. The supplementary annual statements of their business and affairs in the United States, duly verified by the resident manager of such company, shall be filed in the month of January of each year, made out for the year ending the 31st day of December immediately preceding. As amended by act approved June 6, 1889, in force July 1, 1889." Home office statements are not required to be filed unless the company desires to advertise the same.

**GENERAL PENALTIES**—For transferring a cause to the United States Court, revocation of license, which can not be renewed for at least three years. For any violation of the insurance law not specifically provided for, \$500 for each offense.

**IMPAIRMENT**—Sec. 23 a, Laws of 1899. "And whenever it shall appear \* \* \* from such examination that the assets of any company incorporated in this State are insufficient to justify the continuance in business of any such company, he may direct the officers thereof to require the stockholders (or if a mutual company, the members thereof) to pay in the amount of such deficiency within such periods as he may designate, in such requisition; or he may apply to the Circuit Court of the county in which the principal office of said company shall be located, for an order requiring them to show cause why the business of such company shall not be closed, and the court shall thereupon proceed to hear the allegations and proofs of the respective parties. \* \* \*" Sec. 23e. "And whenever it shall appear to the said Insurance Superintendent, from the report of the person or persons appointed by him, that the affairs of any company not incorporated by the laws of this State, are in an unsound condition, he shall revoke the certificates granted in behalf of such company, and shall cause a notification thereof to be published in a newspaper of general circulation published in the city of Springfield, and mail a copy thereof to each agent of the company; and the agent or agents of such company, after such notice, shall be required to discontinue the issuing of any new policy and the renewal of any previously issued." Sec. 26 b, Laws of 1899. "Whenever it shall appear to the Insurance Superintendent, from an examination made by him in the manner prescribed by law, that the capital stock of any joint stock company, organized pursuant to law, is impaired to an amount exceeding twenty-five per cent of such capital, and he shall be of the opinion that the interest of the public will not be prejudiced by permitting such company to continue business with a reduced capital, it shall be lawful for such company, with the permission of the said Insurance Superintendent, to reduce its capital stock and the par value of the shares thereof, to such amount as the Insurance Superintendent may under his hand and official seal certify to be proper, and he, as shall in his opinion, be justified by the assets and property of such company; provided, that no part of such assets and property shall be distributed to the stockholders. \* \* \*" Sec. 124. Foreign Companies. "And no agent shall be allowed to transact business for any such company, association or part-

nership whose capital, deposited as aforesaid, is impaired to the extent of twenty per cent thereof, while such deficiency shall continue. \* \* \*

**INVESTMENTS PRESCRIBED**—Sec. 8, Act of March 11, 1869, amended June 19, 1891, and further amended in February, 1909. "That on and after July 1, 1909, any fire insurance company organized under this act or incorporated under any law of this State, for the purpose of investing its capital, surplus and other funds, or any part thereof, may purchase and hold as collateral security or otherwise, and sell and convey any bonds or public stock issued or created by the United States or by this State, or by any of the other States of the United States, or the District of Columbia, or any or either of them, or by any of the incorporated cities, counties, townships or other municipal corporation thereof, or, bonds authorized to be issued by any commission appointed by the Supreme Court of this State, or invest its said capital and surplus and other funds, or any part thereof, in bonds or notes secured by mortgages or trust deed on unincumbered real estate located within said States, or the District of Columbia, or either of them, worth at least double the sum invested or loaned; or lend on or purchase mortgage bonds of railroad companies organized under the laws of said States, or the District of Columbia, or either of them, or operated therein; or the capital stock, bonds, securities or evidences of indebtedness created by any corporation or corporations organized under the laws of the United States, or of this or of any State, except the stock of mining companies and the stock of manufacturing companies, commonly known as "industrials:" Provided, that no loan shall be made or retained on any of the above-mentioned securities except the bonds or stocks issued or created by the United States, or of this State, exceeding ninety per centum of the market value thereof: And, provided, further, that no loans shall be made by any company on its own stock. No investment or loan shall be made by any such insurance company unless the same shall first have been authorized by the board of directors, or by a committee thereof, charged with the duty of supervising such lots. No such company shall subscribe to or participate in any underwriting of the purchase or sale of securities or property, or enter into any transaction for such purchase or sale on account of said company jointly with any other person, firm or corporation, nor shall any such company enter into any agreement to withhold from sale any of its property, but the disposition of its property shall be at all times within the control of the board of directors. This act shall apply to all investments of the funds of domestic fire insurance companies of every kind and character." Only such real estate as may be needed for the conduct of its business may be purchased by an Illinois company; and real estate acquired under foreclosure or on account of debts must be sold within five years, unless the time limit is extended by the Superintendent of Insurance. Foreign companies' deposits in the United States must consist of stocks of the United States or of Illinois, equal to a stock producing six per cent per

annum—to be received at a rate not above par—or in bonds and mortgages on Illinois real estate worth fifty per cent more than the amount loaned thereon; or in bonds, stocks or other securities of its own country, which shall not be valued above par nor above current market value.

**LICENSED SPECIAL AGENTS**—Law of May 14, 1913. Provides that in consideration of the annual payment of \$200, except in counties having less than 100,000 inhabitants, in which case the fee shall not exceed \$25, the Superintendent of Insurance may issue a license revocable at any time to citizens of Illinois, permitting the party named in such license to act as agent to procure policies of fire insurance in unauthorized companies. The agent so licensed must execute an affidavit, which shall be filed in the Insurance Department within thirty days after the procuring of such insurance, to the effect that after diligent effort the agent has been unable to secure the amount of insurance required to protect the property described in such affidavit from regularly admitted companies. A separate record must be kept of all such transactions showing the amount of insurance placed, the gross premiums charged thereon, the company in which placed, the date and term of policy and the situation of the property insured; this account to be kept open at all times for the inspection of the Insurance Superintendent. Before transacting business under this license the party shall execute and deliver a bond in the penal sum of \$2,000 that the agent will faithfully comply with the above requirements and will pay to the Director of Trade and Commerce a sum equal to 2 per cent upon the gross premiums received from policyholders upon all policies procured or issued by him during the preceding six months. In default of such payment the Insurance Superintendent may sue for the same in any court of record in Illinois. The Insurance Department rules that unlicensed companies writing Illinois risks through licensed brokers must file credentials and be licensed in their respective home States.

**LIMIT ON A SINGLE RISK**—No requirement.

**LLOYDS**—An act which went into effect January 1, 1912, forbids any association, partnership, individual or aggregation of individuals, not then authorized by the laws of the State, to make contracts of insurance except as provided therein. A written declaration must be filed with the Insurance Superintendent by the attorney, agent or other representative of such association, etc., stating the title under which it is proposed to do business; a verified copy of the contract by which insurance is to be effected; a verified copy of the power of attorney; the location of the office; and a power of attorney authorizing the Insurance Superintendent to accept service of legal process. Statements as to risks written, the financial standing of underwriters, etc., may be required at any time. The words "Not Incorporated" must appear upon every policy. Assets must at least equal five times the amount assumed upon a single risk. Such insurers are subject to the same fees and taxes, except as to capital stock and deposits, as are imposed upon corporations transacting similar business. For purposes of

taxation, gross receipts or premiums are construed to be the cost of the insurance to the insured, excluding portions of premiums returned to policyholders. This act does not apply to business done under the surplus line law. Attorney must annually file certificate of compliance with this law; fee, \$2. Penalty for violation of this law, fine of \$500 to \$1,000.

**MISCELLANEOUS**—License of a company removing a case from State to Federal court will be revoked. A law of 1919 provides for the regulation of the promotion of stock sales and organization of new companies.

**MUTUAL COMPANIES**—A law of 1915 provides for the operation of mutual companies on a stipulated premium basis, with contingent liability of from one to ten times the cash premiums. It also provides for unearned premium and other reserves, similar to those of stock companies. Organization of town and county mutual is permitted by law.

**PRELIMINARY DOCUMENTS**—Insurance Law, Sec. 112. "Application for license to be filed with Insurance Superintendent—form of declaration." Sec. 1. "It shall not be lawful for any insurance company, association or partnership incorporated by, or organized under, the laws of any other State in the United States, or of any foreign government, for the purpose of insuring against loss or damage by fire, or against the risks of inland navigation or transportation, for the purpose of life insurance, or for the purpose of insuring persons against accidents, to take risks or to transact any business whatever, authorized by its charter, within this State, until it shall have complied with the following requirements, in addition to those already imposed by existing law: It shall first file with the Insurance Superintendent a written application for a license to do business in this State, duly signed by its president and secretary, with its corporate seal attached, which statement shall contain the following declaration: That it desires to transact the business of insurance in this State, that it will accept a license therefor according to the laws of this State, and that said license shall cease and terminate in case, and whenever it shall remove, or make application to remove, into any United States court any action or proceeding in any of the State courts of this State, upon any claim or cause of action arising out of any business transaction, in fact, done in this State; any permission, consent, agreement, condition or provision incorporated in any contract, mortgage, note, bond, obligation or policy of insurance, authorizing or consenting to such removal, to the contrary notwithstanding." Foreign companies must file application and appointment of attorneys to be made, in pursuance of resolutions by board of directors or managers, and signed by the president and secretary of such board, or the officer corresponding to such; to be acknowledged before United States Consul, and appointment of attorney; also, certificate of compliance, certificate of deposit, certified copy of charter or articles of association, certified to by the proper custodian of original; and duplicate of original appointment of United States trustees and United States managers, all to be acknowledged

before United States Consul. Yearly certificates of compliance with laws of company's home State not required by statute.

**PUBLICATION**—"And the said Superintendent shall also cause its annual statements, required to be filed by this act, to be published in two newspapers of general circulation, the one printed in the city of Chicago and the other printed in the city of Springfield, not less than fifteen days." Companies may advertise only actual, available assets, paid-up capital, etc., as allowed by the Illinois Insurance Department. Publication will not be handled by Superintendent. Companies must have statement published and furnished the Superintendent with certificates of publication.

**RECIPROCAL INSURANCE**—Sec. 157, miscellaneous insurance laws of Illinois, provides for the establishment, licensing and regulation of reciprocal and inter-insurance exchange, for which see under "Lloyds."

**RECIPROCAL LAW**—Chap. 2, Sec. 29. "Whenever the existing or future laws of any State of the United States, or any other kingdom or country, shall require of insurance companies incorporated by or organized under the laws of this State, and having agencies in such other State, kingdom or country, any deposit or securities in such State, kingdom or country for the protection of policyholders, or otherwise, of any payment for taxes, fines, penalties, certificates of authority, license fees, or otherwise, greater than the amount required for such purposes from similar companies of other States by then existing laws of this State, then, and in every such case, all companies of such States, established, or having heretofore established, an agency or agencies in this State, shall be and are hereby required to make the same deposit for a like purpose with the Insurance Superintendent of this State, and to pay the Insurance Superintendent for taxes, fines, penalties, certificates of authority, license fees, and otherwise, an amount equal to the amount of such charges and payments imposed by the laws of such State upon the companies of this State and the agents thereof; provided, that the payment required of such foreign companies shall in no case be less than required by this act."

**REINSURANCE**—"That no fire insurance company authorized to do business in this State shall reinsure, dispose of by treaty, cede, pool, divide, or in any manner or form whatsoever reduce any portion of its risk or liability, covering property located in whole or in part in this State, in or with any company, association, person or persons whether incorporated or otherwise not authorized by law to do the business of fire insurance in this State." Sec. 2. "No fire insurance company authorized to do business in this State shall reinsure, or assume as a reinsuring company, or otherwise, in any manner or form whatsoever, the whole or any part of any risk or liability, covering property located, in whole or in part, in this State, of or for any insurance company, association, person or persons, whether incorporated or not, not authorized by law to do fire insurance business in this State." Sec. 3. "No fire insurance company authorized to do business



in this State shall reinsure or assume as a reinsuring company, or otherwise in any manner or form whatsoever, the whole or any part of any risk or liability, covering property located, in whole or in part, in this State, of any insurance company, association, person or persons whether incorporated or not unless the risk or liability reinsured shall have been assumed in full accord with the provisions of the statutes of this State." Affidavit of home office officials that the law concerning reinsurances has been complied with, must be filed with Superintendent of Insurance by March. Penalty for violation, forfeiture of license. Reinsurance schedules must be signed by home officials of foreign companies. A law of 1919 provides for consolidation and reinsurance of companies. Copy of reinsurance contract must be filed with the Department of Insurance.

**REINSURANCE RESERVE**—Fifty per cent of unexpired premiums on one-year policies, pro rata on term policies.

**RESIDENT AGENTS**—Law of June 22, 1893: "It shall be unlawful for any insurance company, legally authorized to transact business in the State of Illinois, to write, place or cause to be written or placed, any policy or contract for indemnity for insurance upon property situated or located in the State of Illinois, except through legally authorized agents in the State of Illinois, and the writing, placing, or causing to be placed, of any such policy of insurance is hereby declared to be a violation of the law providing for the payment of taxes by foreign insurance companies doing business in the State of Illinois." Penalty for violation, revocation of license.

**SEMI-ANNUAL STATEMENTS**—None required.

**STANDARD POLICY**—No requirement.

**TAXES**—Act of 1919. Sec. 1. That each non-resident corporation, company and association licensed and admitted to do an insurance business in this State shall, except as herein otherwise provided, pay an annual State tax for the privilege of doing an insurance business in this State, equal to two per centum on the gross amount of premiums received during the preceding calendar year on contracts covering risks within this State, which gross amount of premiums shall include all premiums received during the preceding calendar year on all policies, annuity contracts, certificates, renewals, policies subsequently canceled, insurance and reinsurance executed, issued and delivered during such preceding calendar year and all premiums that are received during such preceding calendar year on all policies, annuity contracts, certificates, renewals, policies subsequently canceled, insurance and reinsurance executed, issued and delivered in all years prior to such preceding calendar year, whether such premiums were in the form of money, notes, credits or any other substitute for money, after deducting from such gross amount of premium the amount of returned premiums on canceled policies covering risks within this State; also the amount paid for reinsurance of risks within this State to companies duly licensed to transact business in this State, and also the amount returned to holders of policies on risks within this State

as dividends paid in cash or applied in the reduction of premiums. There shall be deducted from the tax thus computed the amount (if any) paid by such corporation, company or association, to cities and villages as a tax on premiums received by such corporation, company or association in such cities and villages during the preceding calendar year for the benefit of organized fire departments, and the remainder shall be assessed against such corporation, company or association as its annual privilege tax. This tax shall be in lieu of all other taxes, excepting personal and real estate, fire department and fire marshal taxes. Companies applying for admission to this State must pay a license tax at the rate of \$300 per annum pro rata to July 1. One-half of net receipts of all companies are taxed locally as personal property. All stock and mutual companies, individuals, firms, corporations, associations or aggregations of underwriters writing fire insurance, are required to pay, annually in February, in addition to other taxes required by law, not exceeding one-fourth of one per cent of gross premium receipts, to the Director of Trade and Commerce, for the maintenance of the office of fire marshal. An excess of receipts over expenses will reduce the tax the following year.

**TAX STATEMENT**—A tax statement must be made not later than March 1 each year with the Department of Trade and Commerce. Taxes shall be due and payable on the first day of July of each year. Should any State require a higher tax from Illinois companies than as herein imposed, such tax will apply to companies domiciled in that State and operating in Illinois. See "County Taxes and Fees." See "Fire Department Tax." Tax statement must be filed annually by March 1.

**VALUED POLICY**—No provision.

#### COUNTY TAXES AND FEES:

Law of 1869, Sec. 30. "Every agent of any insurance company, incorporated by the authority of any other State or government, shall return to the proper officer of the county, town or municipality in which the agency is established, in the month of May, annually, the amount of the net receipts of such agency for the preceding year, which shall be entered on the tax list of the county, town and municipality, and subject to the same rate of taxation for all purposes—State, county, town and municipal—that other personal property is subject to at the place where located; said tax to be in lieu of all town and municipal licenses; and all laws and parts of laws inconsistent herewith are hereby repealed. Provided, that the provisions of this section shall not be construed to prohibit cities having an organized fire department from levying a tax or license fee, not exceeding two per cent, in accordance with the provisions of their respective charters, on the gross receipts of such agency, to be applied exclusively to the support of the fire department of such city. [As amended by act approved May 31, 1879; in force July 1, 1879.]" The Supreme Court, in the case of National Fire vs. Hamberg County Treasurer, in April, 1905, held "net receipts" to mean "the gross receipts less operating expenses, not including fire losses, and does not mean profits."

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**MUNICIPAL TAXES AND FEES.**

Every city having a fire department can impose a tax of two per cent on premiums. See "Fire Department Tax."

**CHICAGO**—Fire insurance patrol assessment 1.40 per cent of city premiums, including Union Stock Yards' premiums. Fire department, two per cent of premiums. The city levies a tax of \$25 per annum on insurance brokers, and the term is held to include "any and every person, copartnership or corporation engaged for others in negotiating contracts for insurance on lives, buildings, vessels, or other property, either directly or through any other broker or through any insurance agent or with any insurance company other than an insurance company of which such person shall be an employee." "Any person employed by a person, copartnership or corporation licensed as a broker under the provisions of this chapter, who shall himself, on his own account and not as such employee, engage in the business or act in the capacity of a broker, shall, notwithstanding the fact of such employment, be amenable to all the provisions of this chapter and shall be required to take out a broker's license." "Any person or corporation violating any of the provisions of this chapter shall be fined not less than \$25 nor more than \$200 for each offense."

**GALENA**—For each company, two per cent tax and two per cent fire tax.

**ROCKFORD**—For each agent, \$1, payable July 1.

**CALENDAR—ILLINOIS.**

On or before

- |       |    |  |
|-------|----|--|
| Jan.  | 31 | Agents' licenses must be procured.<br>Annual statement must be filed.<br>Home office statements as of September 30 to be filed by foreign companies. |
| Feb.  | 1  | Publication of annual statement should receive attention.  |
| March | 1  | Fire marshal tax must be paid.<br>Tax statement must be filed.   |
| May   | 31 | County and municipal tax statements to be filed by agents.   |
| July  | 1  | Premium tax payable. Secure company license.   |
| July  | 15 | Fire department tax statements must be filed and tax paid.   |
| Sept. | 1  | Reports of experience by classes of risks to be filed.   |

*Handwritten signature and date: 100 -*

# INDIANA.

## STATE REQUIREMENTS.

**AGENTS DEFINED**—R. S. 1894, Sec. 3457. "Any person who shall, directly or indirectly, receive or transmit money or other valuable thing to, or for, the use of such corporations, or who shall in any manner make, or cause to be made, any contract, or transact any business for, or on account of, any such foreign corporation, shall be deemed an agent of such corporation, and be subject to the provisions of this act relating to agents of foreign corporations."

**AGENTS' LICENSES**—General, supervising and local agents must procure certificates of authority expiring January 1. Penalty for acting for unsound or unauthorized company, a fine of not less than \$10 nor more than \$100, and imprisonment for not exceeding six months. License will be revoked for refusing to remit balance to company.

**ANNUAL STATEMENTS**—Must be filed in January. These and tax statements are only ones required. Domestic mutual companies must file by February 28. Classification of business required on annual statement.

**ANTI-COINSURANCE**—Law of 1901, Sec. 1. "It shall be unlawful for any fire insurance company doing business in this State to issue any policy or contract of insurance covering property in this State which shall contain any clause or provision requiring the assured to take out or maintain a larger amount of insurance than that expressed in such policy, nor in any way providing that the assured shall be liable as coinsurer with the company issuing the policy for any part of the loss or damage which may be caused by fire or lightning to the property described in such policy, and any such clause or provision shall be null and void and of no effect, except that it may be lawful for such insurance companies to issue, and it may be optional with the assured to accept a policy or contract of insurance containing a coinsurance clause or provision when a reduction in the rate for insurance on the property described in such policy is the consideration named, and when so accepted the coinsurance clause or provision shall be binding on the assured and the company; provided, that the provisions of this act shall not apply to railroad or marine insurance."

**ANTI-COMPACT**—In 1910 the superior court perpetually enjoined the fire insurance companies from maintaining a combination to enforce rates. The law of 1919 forbids the forming of combinations to regulate rates. See "Rate Schedule to be Filed."

**ANTI-DISCRIMINATION**—The giving or receiving of a rebate is forbidden. Discrimination in rating of risks forbidden by law of 1919. See "Rate Schedules to be Filed."

**ATTORNEY**—The Auditor of the State must be appointed to accept service of legal process.

**CANCELLATION OF POLICY**—No requirement as to notice to insured.

**CAPITAL REQUIRED**—"No insurance company, agent or agents of any insurance company, incorporated by any other State, shall transact any business of insurance, unless such company is possessed of at least \$200,000 of actual capital invested in the stocks or bonds of some one or more of the States of this Union, or of the United States, or bonds of some one or more of the counties, cities or towns of the United States, at the current market value thereof at date of such statement, or in bonds or mortgages of real estate worth double the amount for which the same is mortgaged, and free from any prior incumbrance, or unless such company is possessed of assets amounting to at least \$2,000,000, and a net surplus over and above all liabilities of at least \$450,000. Upon filing such statement annually in January, certificate shall be granted, which shall be filed in the office of the clerk of the Circuit Court in the county in which agency is established."

**COMMISSIONS TO NON-RESIDENTS**—No provision.

**DEPOSIT**—Foreign companies must have at least \$100,000 deposit in Indiana, or in some other State or Territory. (See "Investments Prescribed.")

**DOMESTIC COMPANIES**—A domestic stock company must have not less than \$100,000 of capital stock, in shares not exceeding \$50 each. Nine or more persons may form a stock company. State Auditor has supervision over promotion or holding companies.

**EXAMINATIONS**—The Auditor of State shall examine or cause to be examined by some competent and disinterested person, every detail of the business of all fire and marine insurance companies doing business in the State at least once every three years.

**FEES**—For filing articles of incorporation, \$100; for filing annual statement, \$20; for examination of annual statement, \$5; for license to such corporation, association or society, and for each renewal thereof, \$5; for filing each certificate of appointment of Auditor of State as attorney to accept service of process, \$5; for each certificate of compliance, \$1; for each certified statement of condition of such corporation, association or society furnished for publication, \$2; for each license to agent, \$3; domestic agents, \$1. (Acts of 1919, page 465.) Fees are payable to Auditor of State. The retaliatory law relates to all fees.

**FIRE DEPARTMENT TAX**—Governed by reciprocal law.

**FIRE MARSHAL**—Chap. 192, Laws of 1913, establishes the office of State Fire Marshal, whose duties shall be to enforce the laws of the State and the ordinances of the cities and towns in Indiana relating to fires, fire alarms and fire prevention.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—None required.

**GENERAL PENALTIES**—For violations of the insurance law, not specifically provided for, a fine of not over \$1000, or imprisonment for not exceeding thirty days, or both.

**IMPAIRMENT**—No special provision.

**INVESTMENTS PRESCRIBED**—Laws of 1905. Sec. 1. "Be it enacted

by the General Assembly of the State of Indiana, That whenever any law of this State, now or hereafter enacted, regulates the admission of insurance companies of other States or countries to do business of any kind of insurance in this State and fixes the amount of capital or assets required of such insurance companies to do such business in this State, then the amount of such capital or assets so required of such companies to do such business in this State shall be invested in the bonds of some one or more of the States of the United States or of the United States or in bonds of some one or more of the counties, cities or towns of this State or some other State of the United States, which have not exceeded the limit of tax levies allowed by law, or some foreign country in which such company is authorized to do business, at the current market value thereof at the date of admission of such company to do business in this State or in first mortgage bonds or mortgages on real estate worth double the amount for which the same is mortgaged and free from prior incumbrances." An act of 1919 provides that any fire or marine insurance company may invest its funds in the bonds issued by any Federal farm loan bank or joint stock loan bank organized under the Federal Farm Loan Act. Domestic companies may also invest in bonds of any county in Indiana issued for the improvement of highways.

**LICENSED BROKERS**—No provision.

**LIMIT ON A SINGLE RISK**—Ten per cent of actual paid-in capital.

**LLOYDS**—Section 1, Laws of 1919. That no persons, partnerships or corporations shall engage in the business of such insurance as is herein specified as Lloyds unless twenty-five (25) or more persons, partnerships or corporations, a majority of whom shall be bona fide residents of the State of Indiana shall have a certificate of authority from the Auditor of State to do so. Application for certificate of authority shall be signed by the attorney; shall contain all the essentials of the organization of Lloyds; must also state that not less than 25 per cent of the subscriptions have been paid not more than 50 per cent in cash secured by an approved collateral note, and not over 25 per cent evidenced by the subscriber's individual note. Total subscriptions must not be less than \$250,000, of which at least 25 per cent has been paid in cash. The law provides for an unearned premium reserve equal to that required of all domestic stock companies writing a like business. Lloyds of other States and countries may secure license to operate in this State under the same provisions as applied to domestic Lloyds. Taxes and fees are similar to those required of mutual companies.

**MARINE INSURANCE REQUIREMENTS**—Statutes applying to fire insurance companies apply also to those writing both fire and marine risks. See Resident Agents.

**MISCELLANEOUS**—Loss claimant must file proof of loss within 60 days after loss; and if company takes exception to same, it must notify insured

within 10 days after receipt thereof, specifically stating defects claimed. If company fails to object to proof of loss within 10 days after receipt, "it shall be deemed to have accepted the same as a compliance with the provisions of its policy." (Act of March 6, 1911.) No law placing responsibility on individual for losses (to others) occasioned by fire starting on his premises.

**MUTUAL COMPANIES**—Chap. 140, approved March 9, 1915, provides that twenty or more persons, with applications for at least 200 risks and \$500,000 insurance, and holding \$10,000 or not less than twice the maximum single risk assumed, may form a mutual company. The word "mutual" must form a part of the title. A majority of the incorporators must be residents of Indiana. Chap. 40, Laws of 1915, provides for the organization of threshermen's mutual fire and lightning insurance associations. Other State mutuals must comply with all requirements of domestic companies. Mutual companies of other States may be licensed to operate in Indiana if their financial position is as sound as required of home companies by the 1915 act. Companies transacting business prior to 1915 are not required to meet provisions of new law.

**POLICY CONDITIONS**—Sec. 214, Laws of 1899. "No such insurance company shall insert any condition, in any policy hereafter issued, requiring the insured to give notice forthwith, or within the period of time less than five days, of the loss of the insured property; nor shall any condition be inserted in such policy, requiring the insured to procure the certificate of the nearest justice of the peace, mayor, judge, clergyman, or other official or person, of such loss, or the amount of such loss; and any provision or condition contrary to the provisions of this section, or any condition in said policy inserted to avoid the provisions of this section, shall be void, and no condition or agreement not to sue for a period less than three years shall be valid." Sec. 212, Laws of 1899. "Whenever any loss shall occur of any property insured by any company authorized to take risks under this act, it shall be the duty of the agent, by whom the insurance was made, to retain in his possession all moneys belonging to such company, which may then be, or may thereafter come into, his possession, until such loss is adjusted and paid; provided, that if suit shall be commenced by the party insured, against such company, the agent may deposit in court double the amount mentioned in the policy, to abide the event of the suit, or, if the party insured shall not commence suit within ninety days after the agent shall have given written notice to such party that the loss will not be paid, the agent may thereafter pay over to persons entitled, the moneys of said company; and if any person insured by such company, meeting with a loss, shall notify any other agent of such company thereof, it shall be the duty of such agent to retain moneys as hereinbefore required of the agent."

**PRELIMINARY DOCUMENTS**—Company must file certified copy of its charter and verified copy of its statement. Foreign companies must file certified copy of charter and certificate of deposit.

**PUBLICATION**—Annual statements must be published twice in two leading daily newspapers of the State having the largest circulation. Annual expense, \$1 per square inch for each paper, payable direct to newspapers; advertising false or misleading statement is a misdemeanor.

**RATE SCHEDULES TO BE FILED**—Every fire insurance company must maintain or be a member of a rating bureau. No company shall be a member of more than one rating bureau for the purpose of rating the same risk. A rating bureau of two or more insurers shall admit to membership any authorized insurer applying therefor; the expense of which shall be shared in proportion to the gross premiums less return premiums and premiums on marine and farm risks received by each member during the preceding year, together with an annual fee not to exceed \$25. Every rating bureau shall maintain an office within the State. Reciprocal exchanges making their own rates may maintain their own bureaus at their central offices and shall file their schedule of rates with the Commissioner of Insurance. Every company must state in its annual application for a license each rating bureau in which it is a member, and during the year file written notices of any rating bureau of which it shall become a member. Every rating bureau shall inspect every risk specifically rated by it upon schedule and make a written survey that such risk shall be filed as a permanent record in the office of such bureau. A copy of such survey shall be furnished on request to the owner of the property. All flat rates and rates on farm property shall be filed in the office of the rating bureau and with the Commissioner of Insurance. All bureaus shall be under the supervision of the Commissioner of Insurance. The Commissioner shall have power to examine any rating bureau as often as he deems it expedient, and the report of the examination shall be filed in the Insurance Department. No fire insurance company shall fix or charge any rate for fire insurance upon property in this State which discriminates unfairly between risks of essentially the same class. No variation shall be made by any company in the schedule of rates established and maintained by its bureau which shall not be uniform in its application to all risks of the same class and no variation shall be made unless notice shall be filed with the bureau and the Commissioner of Insurance at least fifteen days before such uniform variation is in effect. Schedules showing the amendment basis rate and other amendments causing such variation shall be filed with the bureau and the Commissioner. No agreement except as contained in the policy of the usual agreement for other companies shall be made with any person insured or to be insured that the whole or any part of any insurance shall be written by or placed with any particular company agent insurer or group of companies. Upon written complaint that discrimination of rate exists between risks of essentially the same class, the Commissioner of Insurance may order a hearing upon such question of discrimination upon fifteen days' notice to all parties interested. Should complaint be deemed justi-



fiable, the Commissioner shall have power to order discrimination removed and proper rate substituted. Should exception be taken by any of the parties interested to the ruling of the Commissioner he may, within fifteen days, commence action in the district court for the purpose of reviewing such order. During the court action, Commissioner's order may be suspended. Every fire insurance company must file on or before July 1 of each year the classification of premium receipts and losses in the State of Indiana during the preceding calendar year. Commissioner may also require the filing of such classification for a period of five years ending December 31, 1918, such classification to conform as nearly as possible with the classification kept and provided to the National Board of Fire Underwriters. The Commissioner shall have the power, if it shall appear that from the underwriting results of stock fire insurance companies in this State that the rates are excessive or unreasonable, to order a just reduction in rates. No fire insurance company or other insurance, insurer or rating bureau or representative thereof shall enter into or act upon any agreement with regard to the making, fixing or collecting in compliance with this act. Any such agreement may be made and enforced providing the same is not contrary to the law and is in writing and the copy filed with the Commissioner of Insurance. The Commissioner may abrogate any such agreement. This act shall not apply to domestic mutual insurance companies or to the rolling stock of any common carrier. Violation of any of the provisions of this act shall be a misdemeanor and there shall be a punishment of not less than \$25 and not more than \$200. If payment is not made within thirty days after final judgment, the Commissioner may revoke the license of such company until the payment of such claim has been made.

**RECIPROCAL INSURANCE**—Chapter 11. Law of 1919 authorizes exchanges of reciprocal or inter-insurers' contracts between individuals, partnerships and corporations of this State and other States and countries providing indemnity among themselves from any loss covered by fire, automobiles and any other kindred insurance. An attorney is required, on whom all processes may be served. Copy of by-laws, power of attorney, etc., is required to be filed with the State Auditor on admission. Attorney must file with the Auditor statement showing maximum amount of indemnity upon a single risk, and no subscriber shall assume on any single fire insurance risk an amount greater than 10 per cent of the net worth of such subscriber. The sum in cash or securities amounting to 50 per cent of the next annual deposits collected and credited to the accounts of subscribers on policies having one year and less and pro rata for those at longer periods shall be at all times maintained. In the case of automobile insurance, assets must be maintained sufficient to discharge liabilities of all outstanding losses arising under policies issued. No deposits shall be construed to mean advance payment of subscribers loss expense. These amounts shall be at no time less than \$25,000. Annual statement must be

filed. Tax and fees shall be the same as those paid by mutual insurance companies.

**RECIPROCAL LAW**—R. S. 1894, Sec. 4926. "When, by the laws of any other State, any taxes, fines, penalties, licenses, fees, deposits of money or securities, or other obligations or prohibitions are imposed upon insurance companies of this or other States, or their agents, greater than are required by the laws of this State, then the same obligations and prohibitions, of whatever kind, shall, in like manner for like purposes, be imposed upon all insurance companies of such States and their agents. All insurance companies of other nations, under this section, shall be held as of State where they have elected to make their deposit and established their principal agency in the United States."

**REINSURANCE**—It is unlawful for domestic insurance companies, when retiring from business, to place, or cause to be placed, insurance on property in the State of Indiana, in companies not authorized to do business therein; and it is held that this prohibition applies to companies not organized in the State as well, when retiring from business. Company still continuing to do business in Indiana may reinsure in any company, but the original company must pay taxes on the full amount of premiums. As of August 8, 1917, the Insurance Commissioner advised us that reinsurance in unlicensed companies is not permitted.

**REINSURANCE RESERVE**—No special provision.

**RESIDENT AGENTS**—R. S. 1901, Sec. 4928. "That it shall be unlawful for any insurance company legally authorized to transact insurance business in the State of Indiana to write, place or cause to be written or placed any policy, or contract for indemnity for insurance upon property situated or located in the State of Indiana in or through any such legally authorized company, outside of the State of Indiana, and the writing, placing or causing to be written or placed any such policy of insurance is hereby declared to be a violation of the law providing for the payment of taxes by foreign insurance companies, doing business in the State of Indiana, as set out and provided in Sec. 8 of an act approved by the General Assembly of the State of Indiana, March 9, in the year 1873." For any violation of this law, license is subject to revocation for at least ninety days. As of July 19, 1917, the Auditor of State advised the publishers that "No one in Indiana has ever treated the above section as constituting a resident agents law." It is interpreted as requiring tax to be paid on premiums for insurance on property located in Indiana, wherever the business may be written; but the Insurance Department has not undertaken to enforce such practice in connection with policies of marine and inland transportation insurance.

**SEMI-ANNUAL STATEMENTS**—Not required.

**STANDARD POLICY**—No special form required. See "Policy Conditions."

**TAXES**—R. S. 1894, Sec. 8477. "Every insurance company not organized

under the laws of this State, and doing business therein, shall in the months of January and July of each year, report to the Auditor of State, \* \* the gross amounts of receipts received in the State of Indiana on account of insurance premiums for the six months last preceding, ending on the last day of December and June of each year next preceding, and shall at the time of making such report, pay into the treasury of the State the sum of \$3, on every \$100 of such receipts, less losses actually paid within the State; and any such insurance company failing or refusing for more than thirty days to render an accurate account of its premium receipts, as above provided, and pay the required tax thereon, shall forfeit one hundred dollars for each additional day such report and payment shall be delayed, to be recovered in an action in the name of the State of Indiana, on relation of the Auditor of State, in any court of competent jurisdiction, and it shall be the duty of the Auditor of State to revoke all authority of any such defaulting company to do business within this State." Credit is allowed for reinsurance received from authorized companies and for return premiums. If a company pays out more money than it collects in premiums in the State, no taxes are charged, when filing the semi-annual tax reports; but at the end of each year the reciprocal law is applied, and if it is found that an Indiana company would be required under like circumstances to pay a tax in the home State of the outside company in question, a like tax will be assessed against such company. Taxes are payable to the Treasurer of the State of Indiana. A tax of one-half of one per cent net premiums is levied and is payable semi-annually on June 30 and December 31 to the State Treasurer by the fire insurance companies operating in the State for the maintenance of the Fire Marshal bureau (delinquent February 1 and August 1).

**TAX STATEMENTS**—Must be filed in January and July. Penalty for neglecting to file statement and pay tax within thirty days, \$100 per day for each additional day's delay. Every insurance company shall file between March 1 and May 15 with the County Assessor, a sworn statement setting forth the name of the company.

Capital stock, authorized and paid up, par value shares, market value, total amount of indebtedness; value of all tangible property; value between tangible property and capital stock; the main value of each franchise from privilege in the dividends paid surplus or reserve fund, and its net income. Penalty for failure to make report, \$100.

**VALUED POLICY**—No provision.

#### COUNTY TAXES AND FEES.

None.

#### MUNICIPAL TAXES AND FEES.

None.

**INDIANAPOLIS**—Salvage Corps, 2 per cent of premiums.

#### CALENDAR—INDIANA.

On or before

Jan. 31 Annual statement must be filed.

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		Tax statement must be filed.
		Premium tax must be paid.
Feb.	1	Fire marshal tax must be paid.
		Company license must be secured.
		Agents' licenses must be secured.
June	30	Semi-annual publication of annual statement by Insurance Department should receive attention.
July	31	Tax statement must be filed.
		Premium tax must be paid.
Aug.	1	Fire marshal tax must be paid.
Dec.	30	Semi-annual publication of annual statement by Insurance Department should receive attention.

# IOWA.

## STATE REQUIREMENTS.

**AGENTS DEFINED.**—Sec. 1750. "The term, agent, used in the foregoing sections of this chapter, shall include any other person who shall in any manner, directly or indirectly, transact the insurance business of an insurance company complying with the laws of this State. Any officer, agent or representative of an insurance company doing business in this State who may solicit insurance, procure applications, issue policies, adjust losses or transact the business generally of such companies, shall be held to be the agent of such insurance company with authority to transact all business within the scope of his employment, anything in the application, policy, contract, by-laws or articles of incorporation of such company to the contrary notwithstanding."

**AGENTS' LICENSES**—Companies must procure certificates of authority for their agents. Applications for licenses should be filed by company officers, under seal, when annual statement is filed. Certificates expire annually March 1.

**ANNUAL STATEMENTS**—Must be filed by Jan. 31. The Commissioner may withhold his certificate from any company violating this provision. Penalty for making false statement, first offense, \$500; second offense, \$1,000. The only other annual reports are the tax statements to State and County authorities.

**ANTI-COINSURANCE**—Sec. 1746 of the code was amended in 1911 and 1917, so as to permit the use of coinsurance clauses in policies covering individual properties other than dwellings and farm property upon application of the insured. Only the standard application and Iowa coinsurance and reduced rate clause may be used.

**ANTI-COMPACT**—Code of Iowa, 1897, Sec. 1754, as amended, 1919. "It shall be unlawful for two or more insurance companies doing business in this State, or for the officers, agents or employees of such companies, to make or enter into any combination or agreement relating to the rates to be charged for insurance, the amount of commission to be allowed agents for procuring same, or the manner of transacting the insurance business within this State; and any such company, officer, agent or employee violating this provision shall be guilty of a misdemeanor, and on conviction thereof, shall pay a penalty of not less than \$100 nor more than \$500 for each offense, to be recovered in the name of the State, for the use of the permanent school fund." (This measure was declared valid by the Supreme Court of the United States.)

**ANTI-DISCRIMINATION**—No provision. Rating law repealed in 1917.

**ATTORNEY**—The Commissioner of Insurance must be empowered to accept service of legal process.

**AUTOMOBILE INSURANCE**—See Marine Insurance.

**CANCELLATION OF POLICY**—Sec. 1728. "At any time after the maturity of a premium, assessment or instalment provided for in the policy, or any

note or contract for the payment thereof, or after the suspension, forfeiture or cancellation of any policy or contract of insurance, the insured may pay to the company the customary short rates and costs of action, if one has been commenced or judgment rendered thereon, and may then, if he so elect, have his policy and all contracts or obligations connected therewith, whether in judgment or otherwise, canceled, and they and each of them thereafter shall be void; and in case of suspension, forfeiture or cancellation of any policy or contract of insurance, the assured shall not be liable for any greater amount than the short rates earned at the date of such suspension, forfeiture or cancellation and the cost herein provided. The policy may be canceled by the insurance company by giving five days' notice of such cancellation, in which event it may retain only the pro rata premium." Since the enactment of Sec. 1728 (which refers to practically all companies other than life doing business in Iowa) the Standard Policy form was adopted. This contains the following clause: "This policy shall be canceled at any time at the request of the insured; or by the company by giving five days' notice of such cancellation either by registered letter directed to the insured at his last known address, or by personal written notice. If this policy shall be canceled as hereinbefore provided, or becomes void or cease, the premium having been actually paid, the unearned portion shall be returned on surrender of this policy or last renewal, this company retaining the customary short rates; except that when this policy is canceled by this company by giving notice it shall retain only the pro rata premium." Sec. 1729. "The Auditor of State shall prepare and publish a table of the short rates provided for in the two preceding sections, which, when published, shall be for the guidance of all companies covered in this chapter, and the rate to be given in the notice therein provided, and no greater sum than this fixed shall be demanded or collected. A copy of said short rates shall be printed on, or attached to, each policy."

#### IOWA SHORT-RATE TABLE

Periods exceeding 20 days, and not exceeding 25 days, to be the rate of 25 days, and so on up to one year.

If policy was written for one year and has been in force any number of days indicated in left-hand column, the company may retain from the annual premium the percentage indicated by the figures set opposite in the right-hand column.

#### ONE YEAR.

1 Day	2 per cent an'l prem.	12 Days	12 per cent an'l prem.
2 Days	4 " "	13 "	13 " "
3 "	5 " "	14 "	13 " "
4 "	6 " "	15 "	14 " "
5 "	7 " "	16 "	14 " "
6 "	8 " "	17 "	15 " "
7 "	9 " "	18 "	16 " "
8 "	9 " "	19 "	16 " "
9 "	10 " "	20 "	17 " "
10 "	11 " "	25 "	19 " "
11 "	11 " "	30 "	20 " "

35 Days	.....	23 per cent an'l prem.	
40 "	.....	26 "	"
45 "	.....	27 "	"
50 "	.....	28 "	"
55 "	.....	29 "	"
60 "	.....	30 "	"
65 "	.....	33 "	"
70 "	.....	36 "	"
75 "	.....	37 "	"
80 "	.....	38 "	"
85 "	.....	39 "	"
90 "	or 3 mo....	40 "	"
105 "	.....	45 "	"
120 "	or 4 mo....	50 "	"
135 "	.....	55 "	"
150 "	or 5 mo....	60 "	"
165 "	.....	65 "	"
180 "	or 6 mo....	70 "	"
195 "	.....	73 "	"
210 "	or 7 mo....	75 "	"
225 "	.....	78 "	"
240 "	or 8 mo....	80 "	"
255 "	.....	83 "	"
270 "	or 9 mo....	85 "	"
285 "	.....	88 "	"
300 "	or 10 mo...	90 "	"
315 "	.....	93 "	"
330 "	or 11 mo...	95 "	"
360 "	or 12 mo...	100 "	"

## TWO YEARS.

For 2 mos. or less.....	25% term prem.	
Over 2 mos. not ex. 4...	30%	"
" 4 " " 6...	40%	"
" 6 " " 8...	50%	"
" 8 " " 10...	60%	"
" 10 " " 12...	70%	"
" 12 " " 14...	75%	"
" 14 " " 16...	80%	"
" 16 " " 18...	85%	"
" 18 " " 20...	90%	"
" 20 " " 22...	95%	"
" 22 " .....	100%	"

## THREE YEARS.

For 3 mos. or less.....	25% term prem.	
Over 3 " not ex. 6...	30%	"
" 4 " " 6...	40%	"
" 9 " " 12...	50%	"

Over 12 mos. not ex. 15...	60% term prem.	
" 15 " " 18...	70%	"
" 18 " " 21...	75%	"
" 21 " " 24...	80%	"
" 24 " " 27...	85%	"
" 27 " " 30...	90%	"
" 30 " " 33...	95%	"
" 33 " .....	100%	"

## FOUR YEARS.

For 4 mos. or less.....	25% term prem.	
Over 4 " not ex. 8...	30%	"
" 8 " " 12...	40%	"
" 12 " " 16...	50%	"
" 16 " " 20...	60%	"
" 20 " " 24...	70%	"
" 24 " " 28...	75%	"
" 28 " " 32...	80%	"
" 32 " " 36...	85%	"
" 36 " " 40...	90%	"
" 40 " " 44...	95%	"
" 44 " .....	100%	"

## FIVE YEARS.

For 5 mos. or less.....	25% term prem.	
Over 5 " not ex. 10...	30%	"
" 10 " " 15...	40%	"
" 15 " " 20...	50%	"
" 20 " " 25...	60%	"
" 25 " " 30...	70%	"
" 30 " " 35...	75%	"
" 35 " " 40...	80%	"
" 40 " " 45...	85%	"
" 45 " " 50...	90%	"
" 50 " " 55...	95%	"
" 55 " .....	100%	"

## SIX YEARS.

For 6 mos. or less.....	25% term prem.	
Over 6 " not ex. 12...	30%	"
" 12 " " 18...	40%	"
" 18 " " 24...	50%	"
" 24 " " 30...	60%	"
" 30 " " 36...	70%	"
" 36 " " 42...	75%	"
" 42 " " 48...	80%	"
" 48 " " 54...	85%	"
" 54 " " 60...	90%	"
" 60 " " 66...	95%	"
" 66 " .....	100%	"

CAPITAL REQUIRED—Of stock fire companies, domestic, \$100,000; foreign and alien, \$200,000 (exclusive of assets especially deposited for the pro-

tection of policyholders in any State or country). See "Domestic Companies."

COMMISSIONS TO NON-RESIDENTS—No provision.

DEPOSIT—Iowa companies full amount of capital stock.

DOMESTIC COMPANIES—Act of April 4, 1907. Sec. 1. "From and after the taking effect of this act, no insurance company shall be incorporated to transact business upon the stock plan, \* \* \* with less than \$100,000 capital, the entire amount of which shall be fully paid up in cash and invested as provided by law. \* \* \*" Only the paid-up portion of capital may be advertised. Articles of incorporation must be certified as correct by the Attorney-General, and be filed with and approved by the Commissioner of Insurance, after being recorded in the Secretary of State's office. Stock notes must be certified by a clerk of the District Court as being those of responsible parties. Domestic fire insurance companies may write automobile and marine risks.

EXAMINATIONS—Sec. 1821a of the Code of Iowa. Section 1. "The Commissioner of Insurance may at any time he may deem it advisable make an examination of or inquire into the affairs of any insurance company authorized or seeking to be authorized to transact business within this State, provided that such examination shall not be less frequent than once during each biennial period." 1821b. "When any company is being examined, the officers, employees or agents thereof shall produce for inspection all books, documents, papers or other information concerning the affairs of the company, and shall otherwise assist in such examination so far as they can do. The Commissioner of Insurance, or his legally authorized representative in charge of the examination, shall have authority to administer oaths and take testimony bearing upon the affairs of any company under examination. 1821c. "For the purpose of carrying into effect the provisions of this act, the Commissioner of Insurance is hereby authorized to appoint an insurance examiner, who shall be a competent actuary, who shall receive for his services a salary of two thousand dollars per year, and who, while conducting examinations, shall possess all the powers conferred upon the Commissioner of Insurance for such purposes. Said examiner shall give bond to the State conditioned upon the faithful performance of his duties, in the sum of five thousand dollars, which bond shall be filed with and approved by the Commissioner of Insurance. The entire time of the examiner shall be under the control of the Commissioner of Insurance, and shall be employed as he may direct. ["If in the Commissioner's judgment an expert examiner is necessary one may be employed, not to be paid more than \$25 per day." Sec. 14, Chap. 348, 38th General Assembly.] The Commissioner of Insurance may, when in his judgment it is advisable, appoint assistants to aid in making examinations. Such assistants shall receive as compensation for their services not to exceed five dollars per day each. Said examiner and assistants shall receive no other or further compensation than as above provided, ex-



cept that they and the Commissioner of Insurance shall receive actual and necessary traveling, hotel and other expenses while engaged in conducting examinations away from their respective places of residence. Such expenses, together with the compensation of the assistants, shall be paid by the Treasurer of State, upon warrants drawn by the Commissioner of Insurance, bills for the same having first been approved by the Executive Council. Such bills shall be filed under oath of the party incurring the expense and shall be approved by the person in charge of the examination. The salary of the examiner shall be paid as are salaries of other employees of the Commissioner of Insurance's office. All bills for expenses of any examination, together with the compensation of the assistants, shall be charged to and paid by the companies examined, and upon failure or refusal of any company examined to pay such bill or bills, the same may be recovered in an action brought in the name of the State under the direction of the Executive Council, and the Commissioner of Insurance may also revoke the certificate of authority of such company to transact business within this State. All fees collected under the provisions of this chapter shall be paid to the Commissioner of Insurance and shall be turned into the State treasury as are other fees of his office." "If upon investigation or examination, it shall appear that any company is insolvent or in an unsound condition, or is doing an illegal or unauthorized business, or that it has refused or neglected for more than thirty days to pay final judgment rendered against it in the courts of this State, the Commissioner of Insurance may suspend its authority to transact business within this State until it shall have complied in all respects with the laws applicable to such company or has paid such judgment, or he may revoke its certificate of authority to transact business within this State, and having revoked the certificate of any company organized under the laws of this State, he shall at once report the same to the Attorney-General, who shall apply to the district court or any judge thereof for the appointment of a receiver to close up the affairs of said company," \* \* \* 1821g. "Should any company decline or refuse to submit to an examination as in this act provided, the Commissioner of Insurance shall at once revoke its certificate of authority, and if such company is organized under the laws of this State, he shall report his action to the Attorney-General, who shall at once apply to the district court or a judge thereof for the appointment of a receiver to wind up the affairs of the company." 1821h. "Examination of insurance companies not located within this State shall only be made by order of the Executive Council, and at such time as it may direct."

**FEES**—Filing charter (other than Iowa companies), \$25; filing annual statement (other than Iowa companies), \$20; for general certificate, \$2; for two certificates for publication, \$4; for each agent's certificate (each member of firm must have certificate), domestic companies, 50 cents; outside companies, \$2; for filing and examination of first application of any com-

pany and accompanying articles of incorporation for organization in this State and the issuing of the permission to do business, \$10; for filing annual statement and issuing renewal, domestic company, \$3; copy of paper on file, 20 cents; certifying same, \$1; publication fee, \$12. Examinations, per diem of assistant examiner and actual expenses. See "Reciprocal Law." Fees are payable to the Commissioner of Insurance.

**FIRE DEPARTMENT TAX**—Governed by reciprocal law.

**FIRE MARSHAL**—A State Fire Marshal investigates fires.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—None required, except on application for admission to State, and annual statement.

**GENERAL PENALTIES**—For any violation of the insurance law a fine of not more than \$1000, or imprisonment for from thirty days to six months. For declaring a dividend, except from surplus profits, a domestic company's charter may be forfeited.

For doing business for any company which is operating unlawfully, a fine of \$100 to \$1000, or imprisonment for not exceeding one year, or both.

**IMPAIRMENT**—See "Examinations."

**INSURANCE IN UNAUTHORIZED COMPANIES**—Sec. 1758. "No action shall be maintained in any court in the State upon any policy or contract of fire insurance issued upon any property situated in the State by any company, association, partnership, individual or individuals that have not been authorized by the Insurance Department to transact such insurance business, unless it shall be shown that the insurer or insured, within six months after the issuing of such policy or contract of insurance, has paid into the State Treasury two and one-half per cent. of the gross premium paid or agreed to be paid for such policy or contract of insurance."

**INVESTMENTS PRESCRIBED**—Domestic companies may invest capital and funds in mortgage loans on property worth double the amount loaned thereon, exclusive of buildings, unless the latter are insured for the benefit of the company; United States bonds or treasury notes, or Iowa State bonds, or bonds of any county or municipal corporation thereof, authorized by law; or they may loan upon the securities above mentioned. Surplus funds may be invested in or loaned upon stock or bonds or other evidences of indebtedness of any solvent dividend-paying corporation organized under the laws of Iowa or of the United States, worth at their market value ten per cent more than the amount loaned (company's own stock is excepted).

**LICENSED BROKERS**—No provision. (See "Insurance in Unauthorized Companies.")

**LIMIT ON A SINGLE RISK**—A company's net line on a single hazard must not exceed ten per cent of its paid-up capital.

**LLOYDS**—No special provision. See Reciprocal Insurance.

**MARINE INSURANCE**—Chap. 428, laws of 37th Gen. Assembly, Sec. 5a, authorizes domestic and foreign fire companies to write insurance defined by Sub. Sec. 9 of Sec. 1709, as amended by Sec. 4, Chap. 428, laws of 37th Gen. Assembly, as follows: 9. "Insure vessels, freights, goods, mer-

chandise, specie, bullion, jewels, profits, commission, bank notes, bills of exchange and other evidence of debt bottomry and respondentia interests and every insurance appertaining to or connected with marine risks of transportation and navigation, and insurance upon automobiles, whether stationary or being operated under their own power, which shall include all or any of the hazards of fire, explosion, transportation, collision, loss by legal liability for damage to property resulting from the maintenance and use of automobiles, and loss by burglary or theft or both, but shall not include insurance against loss by reason of bodily injury to the person."

**MISCELLANEOUS**—Companies are forbidden to issue any policies except under their corporate title. Companies issuing underwriter's agencies' policies may stamp the name of the agency on back of policy. No misleading advertisements may be published of the agency.

**MUTUAL COMPANIES**—Chap. 429, Laws of 1917, provides that mutual companies may be organized on condition that it shall have in force two hundred policies issued to at least 200 members upon 200 separate risks. The maximum single risk shall not exceed twenty per cent of the admitted assets, or three times the average risk, or one per cent of the insurance in force, whichever is the greater. A premium shall be collected upon each application in cash or securities equal to not less than twice the maximum single risk assumed subject to one fire nor less than \$10,000. The maximum premium payable shall be expressed in the policy. The unearned premium reserve must be maintained equal to that required of stock companies. Mutual companies of other States may now be licensed in Iowa, but companies issuing policies on cash premium plan must possess \$200,000 of cash assets above all liabilities (including reinsurance reserves). The surplus of foreign mutual companies organized on other plans is left to the discretion of the Insurance Commissioner, but in no case must it be less than \$50,000. Law of April 13, 1907. Sec. 2. "Any association incorporated under the laws of this State for the purpose of furnishing insurance as provided for in this chapter, doing business only within the county in which is situated the town or city named in its articles of incorporation as its principal place of business, or the counties contiguous thereto, shall, for the purposes of this chapter, be deemed a county mutual assessment association; all other associations operating hereunder shall, for the purposes of this chapter, be deemed State mutual assessment associations." This law provides that a State mutual must have 125 applications representing, in classes 1, 2 and 3, \$250,000 each; class 4, \$100,000. A county mutual must have applications for \$50,000, representing at least fifty applicants. Mutual companies are required to report in January, and to maintain a reinsurance reserve ranging from ten per cent to fifty per cent of basis rates.

**POLICY**—"All policies must be submitted in duplicate for examination and approval of the Commissioner of Insurance before same can be used in the State."

**PRELIMINARY DOCUMENTS**—Company must file a certified copy of its charter and a verified statement showing financial standing and proposed policy forms. Foreign companies must file certificate of deposit; certified copy of charter, two copies of all policies, and appointment of Commissioner of Insurance as attorney to accept service of process. Certificate of compliance with laws of company's home State must be filed annually with annual statement, and a certified copy of the last examination by Insurance Department of its home or some other State.

**PUBLICATION**—Sec. 1737. "The Commissioner of Insurance shall annually, as soon as practicable after the first of March, publish in two newspapers of general publication, a statement made up from the annual report of every insurance company of the character provided for in this chapter and doing business in this State whether organized under the laws of this or any other State, which statement shall contain a synopsis of the company's annual report and shall show that the company has in all respects complied with the laws of the State relating to insurance and is authorized to transact business in the State. One publication as above contemplated, shall be made at the seat of government, and in case of companies organized in this State and located elsewhere than in the city of Des Moines, the other shall be made in the county in which the home office of the company is located. The fee for each publication shall be six dollars (\$6), which shall be paid to the Commissioner of Insurance at the time and in the manner provided for in Section seventeen hundred and fifty-two (1752), Supplement to the Code and shall be by him paid to the papers making the publication upon receipt of a bill for same, together with an affidavit by the publisher or foreman showing that such publication has been properly made, the same to be filed within thirty days from the date of such publication."

**RATING BUREAUS TO BE MAINTAINED**—Law of 1915 repealed in 1917.

**RECIPROCAL INSURANCE**—Laws of 1917, Chap. 180. Individuals, partnerships and corporations, including independent school districts and municipal corporations of this State, hereby designated as subscribers, are hereby authorized to exchange reciprocal or inter-insurance contracts with each other and with individuals, partnerships and corporations of other States, Territories, Districts and countries providing indemnity among themselves from any loss which may be insured against under the law, excepting life insurance.

Contracts may be executed by an attorney acting for such subscribers. Subscribers must make the declaration set forth by law that applications have been made for insurance upon at least one hundred separate risks aggregating at least \$1,500,000, must deposit with the attorney for payment of losses not less than \$50,000. Insurance Commissioner must be appointed as agent for service of process. Attorney must file under oath, with the Insurance Commissioner, statement showing maximum amount of indemnity upon any single risk. The reserve fund in cash or con-

vertible securities must be maintained equal to one-half the net annual deposits collected and credited to the accounts of the subscribers on policies having one year to run, and pro rata on longer contracts. This reserve fund shall at no time be less than \$50,000. An annual report must be made showing the exchange's condition. Attorney filing annual report shall pay a tax of two and one-half per cent of the gross premiums or deposits received from Iowa subscribers during the calendar year, deducting all amounts returned to subscribers or credited to their accounts. Same fees as required of mutual companies.

**RETALIATORY LAW**—Sec. 1736. "When, by the laws of any other State, any taxes, fines, penalties, licenses, fees, deposits of money, securities or other obligations or prohibitions are imposed, or would be imposed, on insurance companies of this State doing or that might seek to do business in such other State, or upon their agents therein, so long as such laws continue in force the same obligations and prohibitions of whatever kind shall be imposed upon all insurance companies of such other State doing business in this State or upon their agents here."

**REINSURANCE**—Section 1711 provides that a company may cause itself to be insured "in companies, only authorized to do business in this State," against any loss or risk it may have incurred in the course of its business. Consolidation, or the reinsurante of more than a fractional part of a company's risks, must be effected as prescribed in Chap. 58, Laws of thirtieth General Assembly.

**REINSURANCE RESERVE**—Forty per cent of the premiums received on all unexpired risks. No credit for reinsurance in unlicensed companies.

**RESIDENT AGENTS**—(Code of 1897). Sec. 1739. "No such company shall write, place, or cause to be written or placed, any policy or contract for insurance upon property situated or located in this State except through its resident agent or agents."

**SEMI-ANNUAL STATEMENTS**—None required.

**STANDARD POLICY**—A standard form of policy was adopted in 1907. Penalty for use of any other form, \$50 to \$100 for first offense; \$100 to \$200 for each subsequent offense, and company to be disqualified from doing business in Iowa until fines are paid. The Commissioner of Insurance rules that a tornado insurance rider may be attached to the standard fire policy. (See "Policy.")

**TAXES**—Every insurance corporation not incorporated under the laws of Iowa shall pay into the State treasury as taxes two and one-half per cent of the gross premiums, less return premiums. No deduction for reinsurance or fire department taxes. Iowa companies must pay one per cent on gross premiums, less return premiums and losses actually paid. Taxes are payable to the Treasurer of the State, according to bills rendered the companies by the Insurance Department, on or before January 31; Iowa companies on or before March 1.

**TAX STATEMENTS**—Must be filed by Jan. 31.

**VALUED POLICY**—Title IX., Chap. 4, Sec. 1742. "In any action brought in any court in this State on any policy of insurance for the loss of any building so insured, the amount stated in the policy shall be received as *prima facie* evidence of the insurable value of the property at the date of the policy, provided the insurance company or associations issuing such policy may show the actual value of said property at date of policy, and any depreciation in the value thereof before the loss occurred, but the said insurance company or association shall be liable for the actual value of the property insured at the date of the loss, unless such value exceeds the amount stated in the policy."

**COUNTY TAXES AND FEES.**

None.

**MUNICIPAL TAXES AND FEES.**

None.

**CALENDAR—IOWA.**

On or before

Jan.	31	Annual statement must be filed.
		Tax statement must be filed.
		Certificate of compliance must be filed.
		Certificates for publication must be procured and publication be given attention.
		Premium tax must be paid by other State and foreign companies.
March	1	Premium tax must be paid by Iowa companies.
		Agents' licenses must be secured.

# KANSAS.

## STATE REQUIREMENTS.

**AGENTS DEFINED**—G. S. 1915, Sec. 5179. "Any insurance company not organized under the laws of this State may appoint one or more general agents in this State, with authority to appoint other agents of said company in this State. A certified copy of such appointment shall be filed with the Superintendent of Insurance, and agents of such company, appointed by such general agents, shall be held to be the agents of such company, as fully, to all intents and purposes, as if they were appointed directly by the company."

**AGENTS' LICENSES**—Each agent must obtain a license, which must be renewed annually on or before March 1. A license is required by each member of a firm, also by each employee soliciting business. Penalty for doing business for an unauthorized company, fine of \$500. All licenses expire last day of February.

**ANNUAL STATEMENTS**—Must be filed on or before March 1. Penalty for violation, fine of \$500, and \$500 additional for each month until filed.

**ANTI-COINSURANCE**—No provision.

**ANTI-COMPACT**—G. S. 1915, Sec. 6453. Sec. 1. "That all arrangements, contracts, agreements, trusts, or combinations between persons or corporations, made with a view, or which tend to prevent, full and free competition in the importation, transportation, or sale of articles imported into this State, or in the product, manufacture, or sale of articles of domestic growth or product, or domestic raw material, or for the loan or use of money, or to fix attorneys' or doctors' fees, and all arrangements, contracts, agreements, trusts, or combinations between persons or corporations, designed or tend to advance, reduce, or control the price or the cost to the producer, or to the consumer, of any such product or articles, or to control the cost or rate of insurance, or which tend to advance or control the rate of interest for the loan or use of money to the borrower, or any other services, are hereby declared to be against public policy, unlawful and void." Penalty for violation, fine of \$500 to \$1000, or imprisonment from thirty days to six months, or both.

**ANTI-DISCRIMINATION**—The law relating to the regulation and control of rates prohibits discriminations.

**ATTORNEY**—The Superintendent of Insurance must be empowered to accept service of legal process.

**CANCELLATION OF POLICY**—No requirement as to notice to insured.

**CAPITAL REQUIRED**—Paid-up, \$100,000. See "Reciprocal Law."

**COMMISSIONS TO NON-RESIDENTS**—The Insurance Department rules that resident agents cannot divide commissions with non-resident agents.

**DEPOSIT**—None required, except that foreign companies must have \$100,000

on deposit in one of the United States, invested in the securities listed under "Investments Prescribed" (which see), and that the aggregate deposits in the United States shall exceed all liabilities therein by at least \$100,000. Under a ruling of the Insurance Department, Kansas stock fire companies are required to deposit \$100,000 capital stock.

**DOMESTIC COMPANIES**—G. S., 1915, Sec. 5186. "Hereafter, when any number of persons shall associate to form an insurance company for any other purpose than life insurance, and become incorporated in accordance with the provisions of chapter 23 of the General Statutes of 1868, relating to private corporations, they shall publish a notice of such intention once in each week for at least four weeks, in a public newspaper in the county in which such insurance company is proposed to be located, before executing their charter, as in said act provided. Every such company, heretofore organized, shall file with the Superintendent of Insurance a copy of its charter, duly certified by the Secretary of State." See "Deposit."

**EXAMINATIONS**—G. S., 1915, Sec. 5166. "It shall be the duty of the Superintendent of Insurance, when he has reason to suspect the correctness of any statement of an insurance company, association, corporation, or beneficiary society doing business in this State, whether incorporated in this State or not, or that its affairs are in an unsound condition, or that it is transacting business in violation of the provisions of any of the insurance laws of this State, to make, or cause to be made by some person or persons by him appointed for that purpose, an examination into the affairs of such company, association, corporation or beneficiary society; and it shall be the duty of its officers or agents to submit their books and business to such examination and in every way facilitate the same."

**FEES**—Domestic companies. Filing and examination of charter and issuing certificate of authority, \$25; every other certificate required by law, 50c.; filing annual statement, \$10; copy of papers on file, 20c. per folio; authority to agents, 50c. Other State and Foreign Companies—For filing and examining the charter of any insurance company and issuing the certificate of authority thereupon, \$55; for filing the annual statement, \$50; for each license granted to agents, \$2; for every copy of a paper filed in this office, the sum of 20c. per folio; for affixing the seal of office and certifying to paper, \$1; for accepting service of process, \$3; for broker's license, \$10. An additional annual payment of \$50 is required for the benefit of the State school fund. Fees payable to Superintendent of Insurance.

**FIRE DEPARTMENT TAX**—G. S., 1915, Sec. 5342. "Every fire insurance company, corporation or association not incorporated by the laws of this State, doing business in any incorporated city of this State, having, or that may hereafter have, a regularly organized fire department, under the control of the Mayor and Council of said city, and having in serviceable condition for fire duty fire apparatus and necessary equipments belonging thereto to the value of \$1000 or upward, shall return to the Superintendent of Insurance a just and true account, verified by oath, that the same is a true account



of all premiums received from fire insurance business done in such incorporated cities during the year ending December 31, or such portion thereof as they may have transacted such business in such cities. Such return must be made by said companies within sixty days after the thirty-first day of December, each year." Sec. 5343. "Every fire insurance company aforesaid shall, within sixty days after the thirty-first day of December of each year, deliver and pay to the Superintendent of Insurance the sum of \$2 upon the \$100, and at that rate upon the amount of all premiums written on fire and lightning within the limits of such incorporated city, during the year ending December 31, in each year, or for such portion of such period as said company shall have done business in said city."

**FIRE MARSHAL**—Chap. 198, Laws 1917. Establishes the office of State Fire Marshal, whose duties will be to investigate causes and origin of fires and the betterment of systems for the prevention of fire throughout the State. Chap. 214, Laws of 1917, requires companies to report all fire losses, with certain details, on March 1, annually, to State Fire Marshal. He may subpoena witnesses in investigation of incendiary fires and regulate the storage and use of combustible material. Suspicious fires must be reported immediately through National Board of Fire Underwriters or otherwise.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—None required.

**IMPAIRMENT**—Limit of impairment permitted, 20 per cent.

**INTER-INSURERS**—See "Reciprocal Insurance."

**INVESTMENTS PRESCRIBED**—"It shall be lawful for any insurance company incorporated under the laws of this State, for any purpose other than life insurance, to invest its capital, and the funds accumulated in the course of its business, or any part thereof, in bonds and mortgages on real estate worth fifty per cent more than the sum loaned thereon over and above all incumbrances, exclusive of buildings, unless such buildings are insured and the policy transferred to said company; and also, in the stocks of this State, or stocks or treasury notes of the United States; and also, in the stocks and bonds of any county, school district, or incorporated city in this State, authorized to be issued by the Legislature; and to lend the same, or any part thereof, on the security of such stocks or bonds, or treasury notes, or upon bonds and mortgages as aforesaid, and to change and reinvest the same as occasion may from time to time require; but any surplus money over and above the capital stock of any such insurance company may be invested in, or loaned upon, the pledge of the public stock or bonds of the United States, or any one of the States, or the stocks, bonds or other evidences of indebtedness of any solvent dividend-paying institution incorporated under the laws of this State or of the United States; provided, always, that the current market value of such stocks, bonds or other evidences of indebtedness shall be at all times during the continuance of such loans at least twenty per cent more than the sum loaned thereon." G. S. 1915, Sec. 5190. A domestic company may not invest in real estate, except

such as is required for the convenient accommodation of its business, unless acquired under mortgage or taken in payment of a debt or under sale because of a judgment for a debt.

**LICENSED BROKERS**—A broker may be licensed to deal with unauthorized companies, for a fee of \$10 per annum. He must file a statement annually within ten days after January 1, showing his transactions with unauthorized companies, and an affidavit that, after diligent effort, he had been unable to secure the amount of insurance required in regularly admitted companies during the year last past, and must pay a tax of two per cent on gross premiums received from policyholders upon policies procured from unauthorized companies. Placing an excess line in an unauthorized company without complying with this law (G. S. 1915, Sec. 5472) is punishable by a fine of \$50 to \$300.

**LIMIT ON A SINGLE RISK**—Net line for stock company, 5 per cent of paid-up capital and surplus, unless excess is reinsured in authorized company; for mutual company, 10 per cent of face value of all its resources, except that in organizing it is \$1000, and thereafter is \$6000.

**LLOYDS**—See Reciprocal Insurance.

**MISCELLANEOUS**—Policy provision voiding policy if insured premises become vacant is void if premises were occupied at time of loss. Fire companies may insure against explosion, hail and tornado losses.

**MARINE INSURANCE REQUIREMENTS**—Laws cover fire insurance companies and marine companies in same way, except that fire marshal tax is only on fire premiums.

**MUTUAL COMPANIES**—G. S. 1915, Sec. 5300. "That any number of persons, not less than twenty-five, residing in this State, who collectively shall own property of not less than \$50,000 in value, in one of the classes as hereinafter set forth, which they desire to have insured, may form an incorporated company for the purpose of mutual insurance of its members against loss or damage by fire, lightning or tornado." Such companies may write "detached" risks in cities or villages, "detached" meaning 50 feet or more from any contiguous risk. Sec. 5303. "Such persons so desiring to incorporate shall file in the office of the Superintendent of Insurance a statement, signed by all the incorporators, stating their purpose of forming a company for the transaction of the business of insurance, as expressed in the first section of this act, which statement shall also contain a copy of the charter adopted by them, made in accordance with the Statutes of 1868, and amendments thereunto, and a copy of the by-laws proposed to be adopted by them, and shall publish a notice of such intentions once in each week, for four consecutive weeks, in the official county paper published in the county in which the principal office of such company is proposed to be located." No policies shall be issued until applications in good faith have been received to the amount of at least \$100,000 in one class, and premium notes have been received in advance. Provision is made for the establishment of

reserve funds. Companies of other States licensed in their home States, and having cash reserves of \$100,000 or more, may be licensed in Kansas. Laws 1917, Chap. 212, Sec. 5335, provides that domestic or foreign mutual companies having guaranty funds may insure detached risks in towns, "detached" risk being considered as meaning a dwelling not nearer than 5 feet to any other building.

**PRELIMINARY DOCUMENTS**—Company must file copy of by-laws, charter, power of attorney, last report and statement.

**PUBLICATION**—No provision.

**RATE SCHEDULES TO BE FILED**—Fire insurance companies are required to file general basis rate schedules with the Superintendent of Insurance, and to file local rate schedules with the Superintendent of Insurance and with their local agents, and these are to be open to the inspection of the public. The local rate schedules must conform to the general basis rate schedules. Companies and agents are required to observe these published rates, and departure therefrom is strictly prohibited and is subject to penalty. Companies and agents are prohibited from making any concessions in premiums, whether in rates, commissions or otherwise. The law contemplates that the policyholder must pay the full premium and rate. When the Superintendent of Insurance shall determine that any rate made by an insurance company in Kansas is excessive or unreasonably high, or that said rate is not adequate to the safety or soundness of the company granting the same, he is authorized to direct said company to publish and file a higher or a lower rate, which shall be commensurate with the character of the risk, but in every case the rate shall be reasonable. Chap. 207, of the Laws of 1917, empowers Superintendent of Insurance to investigate fire rates upon his own initiative, or upon written complaint such officer is given access to all records of all rating and actuarial bureaus. If a rating bureau refuses to allow the Superintendent or his representative to view all of its records the Superintendent may refuse to all such bureaus rates to be used by any fire insurance company.

**RECIPROCAL INSURANCE**.—Chap. 207, Laws of 1913. "Individuals, partnerships and corporations of this State, hereby designated subscribers, are hereby authorized to exchange reciprocal or interinsurance contracts with each other, or with individuals, partnerships and corporations of other States and countries, providing indemnity among themselves from any loss which may be insured against under other provisions of the laws, excepting life insurance." Contracts may be executed by an attorney acting for such subscribers. Subscribers must make an annual statement stating by-laws, etc., that applications have been made for insurance on at least 100 risks aggregating \$1,500,000, properly covered; and must deposit \$25,000 with the attorney. Attorney must pay a fee of \$20 annually in lieu of all other taxes and fees in the State.

**RECIPROCAL LAW**—G. S., 1915, Sec. 5177. " \* \* \* Whenever the existing or future laws of any other State or government shall require insurance

companies organized under the laws of this State, applying to do business by agencies in such other State or government, or of the agents thereof, any deposit of security in such State for the protection of policyholders therein, or otherwise, or any payment for taxes, fines, penalties, certificates of authority, licenses, fees, or otherwise, greater than the amount required for such purposes from insurance companies of other States by the then existing laws of this State, then, and in every case, all companies of such States or governments establishing agencies in this State shall make the same deposit, for a like purpose, with the Superintendent of Insurance of this State, and pay to said Superintendent, for taxes, fines, penalties, certificates of authority, licenses, fees, or otherwise, an amount equal to the amount of such charges and payments imposed by laws of such other States or government upon the companies of this State and the agents thereof \* \* \*."

G. S., 1915, Sec. 5213. " \* \* \* Insurance companies of any other country, State or Territory shall not be permitted to transact business in Kansas, unless possessed of the amount of paid-up capital required by said country, State or Territory, of similar companies organized under the laws of this State, and unless said companies of any other country, State or Territory shall have complied with all other laws and requirements prescribed by said country, State or Territory of similar companies organized under the laws of this State."

**REINSURANCE**—G. S., 1915, Sec. 5471. No prohibition of reinsurance in unauthorized companies, but the facilities of admitted companies must first be exhausted. The Attorney-General holds that in all cases the original insuring company is held for the taxes without any credit for reinsurance, no matter with whom reinsured. Under the resident agents' law, reinsurance in admitted companies must be through resident agents. See "Resident Agents." In considering the liabilities of such a company, corporation or association, it shall not be credited with risks reinsured except for such risks as are reinsured in companies doing business in the United States, and which are or might, under the statutes of this State, be permitted to do business in this State.

**REINSURANCE RESERVE**—Fifty per cent of the premiums on unexpired risks running one year or less, and pro rata on unexpired risks running more than one year. Provision is made for the accumulation of reserve funds by mutual companies.

**RESIDENT AGENTS**—G. S., 1915, Sec. 5352. "Any fire insurance company authorized to do business by the Superintendent of Insurance is hereby prohibited from authorizing or allowing any person, agent, firm or corporation who is a non-resident of the State of Kansas, from issuing, or causing to be issued, any policy or policies of insurance on property located in the State of Kansas." The Insurance Department rules that resident agents cannot divide commissions with non-resident agents.

**SEMI-ANNUAL STATEMENTS**—None required.

*nothing*  
**STANDARD POLICY**—No provision. A departmental ruling provides that all forms used must be filed with the Insurance Department and comply with certain requirements of that Department.

**TAXES**—All insurance companies of other States shall annually, on the first day of March, pay to the Superintendent of Insurance two per cent on gross premiums received; foreign companies pay an additional 2 per cent tax on gross premiums. Deductions are permitted by return premiums on account of cancellations, ~~but not~~ for reinsurance premiums. Brokers pay two per cent on gross premiums received for unlicensed companies. Fire Marshal tax of  $\frac{1}{2}$  of 1 per cent on all fire and lightning premiums shall be payable to the Superintendent of Insurance annually on or before March 15.

**TAX STATEMENTS**—Must be filed by January 15. Fire department tax statements must be filed by March 1. Penalty for failing to file fire department tax statement, fine of \$300.

*nothing*  
**VALUED POLICY**—G. S., 1915, Sec. 5356. "Whenever any policy of insurance shall be written to insure any improvements upon real property in this State against loss by fire, tornado or lightning, and the property insured shall be wholly destroyed, without criminal fault on the part of the insured or his assigns, the amount of insurance written in such policy shall be taken conclusively to be the true value of the property insured, and the true amount of loss and measure of damages, and the payment of money as a premium for insurance shall be *prima facie* evidence that the party paying such insurance is the owner of the property insured; provided, that any insurance company may set up fraud in obtaining the policy as a defense to a suit thereon." Company or agent must examine the insured property and the policy must contain a complete and correct description of same. No incomplete or erroneous description will be a defense in an action to collect a loss, if the property could be identified from the description by a person of "ordinary intelligence."

### COUNTY TAXES AND FEES.

None.

### MUNICIPAL TAXES AND FEES.

**ATCHISON**—For each company represented, \$40 per annum, payable semi-annually, January 1 and July 1.

**BAXTER SPRINGS**—For each company, \$5.25 per annum, payable semi-annually, January 1 and July 1.

**BELLEVILLE**—For each company, \$7.50 per annum, payable January or July.

**BONNER SPRINGS**—For each agent, \$5 per annum, payable semi-annually, January 1 and July 1.

**BUCKLIN**—For each company, \$10, payable annually May 1.

**CANEY**—For each company, \$10, payable January 1.

**CHANUTE**—For each company, \$20 per annum, payable annually, January 1.

**CHERRYVALE**—For each agent, \$12 per annum, payable January 1 and July 1.

- CHETOPA—For each company, \$3, payable January 1.
- CLAY CENTER—For each company, \$10 per annum, payable semi-annually, January 1 and July 1.
- COFFEYVILLE—For each company, \$20 per annum, payable semi-annually, January 1 and July 1.
- COLBY—For each agent, \$10 per annum.
- COLUMBUS—For each agent, \$5, payable January 1.
- CONCORDIA—For each company, \$10 per annum, payable semi-annually, January 1 and July 1.
- COUNCIL GROVE—For each company, \$2.50, payable January 1. *Repealed Dec 1, 1891*
- DODGE CITY—For each agent, \$10, payable January 1.
- EMPORIA—For each company, \$16 per annum, payable January 1 and July 1.
- EUREKA—For each company, \$3; for each agent, \$5 per annum, payable January 1 and July 1.
- FORT SCOTT—For each company, \$25 per annum, payable January 1 and July 1.
- FRONTENAC—For each company, \$2.50, payable May 1.
- GALENA—For each company, \$10, payable semi-annually, January 1 and July 1.
- GAS—For each company, \$10 per annum, payable January 1.
- GIRARD—For each company, \$5 annually, payable January 1 and July 1.
- GRENOLA—For each company, \$3 per annum, payable annually May 1.
- HOLTON—For each company, \$10, payable January 1.
- HORTON—For each company, \$10, payable semi-annually, January 1 and July 1.
- HUMBOLDT—For each company, \$3.25, payable December 1 each year.
- HUTCHINSON—For each company, \$20 annually, payable January 1.
- INDEPENDENCE—For each agent, \$10 per annum, payable semi-annually, January 1 and July 1.
- IOLA—For each company, \$10, payable January 1; non-resident agents, \$20, payable semi-annually, January 1 and July 1.
- JUNCTION CITY—For each company, \$10, payable July 1.
- KANSAS CITY—For each company or agent, \$20 per annum; each sub-agent or solicitor, \$10 per annum, payable semi-annually, January 1 and July 1.
- LAWRENCE—For each agent, \$20, payable semi-annually, January 1 and July 1.
- LEAVENWORTH—For each company, \$50, payable March 1.
- MANHATTAN—For each company, \$10, payable semi-annually, January 1 and July 1.
- McPHERSON—For each company, \$5, payable January 1.
- MEADE—For each agent, \$5, payable May 1.
- MINNEAPOLIS—For each company, \$5 per year, payable January 1.
- MULBERRY—For each agent, \$10 per annum, payable January 1 and July 1.

NEODESHA—For each agent, \$5 per annum, payable semi-annually July 1 and January 1.

NEWTON—For each company, \$10, payable January 1.

OLATHE—For each company, \$5 per annum, payable annually, January 1.

OSAWATOMIE—For each company, \$10, payable semi-annually, January and July 1.

OSWEGO—For each company, \$5.50 per annum, payable semi-annually, Jan-

OTTAWA—For each agent, \$10, payable semi-annually, January 1 and July 1.

PAOLA—For each company, \$12 per annum, payable semi-annually, Jan. 1 and July 1.

PARSONS—For each agency of each company, \$25.25 per annum, payable January 1 to December 31 in advance.

PITTSBURG—For each company or agent, \$20 per annum, payable semi-annually, January and July.

PRATT—For each company, \$2, payable July 1.

ROSEDALE—For each agent, \$15, payable July 1.

SALINA—For each company, \$10 per annum, payable January 1 and July 1.

SCAMMON—For each company, \$2.50 per annum, payable January 1 and July 1.

TOPEKA—For each fire or marine company, \$50 for each agency, payable annually. No license issued for less than six months. (Kansas companies located in Topeka excepted.) For each broker, \$100.

WEIR—For each company, \$5, payable semi-annually, January 1 and July 1.

WELLINGTON—For each company, \$10 per annum, payable semi-annually, January 1 and July 1.

WICHITA—For each agency of each company, ~~\$25~~: each agent, \$25 per annum, payable semi-annually, February 1 and August 1.

WINFIELD—For each company, \$5 per annum, payable semi-annually, January 1 and July 1.

*after 1920 Repealed letter from Snyder*  
5/7/1921

#### CALENDAR—KANSAS.

On or before

Jan. 15 Tax statement must be filed.

March 1 Agents' licenses must be obtained.

Annual statement must be filed.

Fire Department tax statements to be filed.

Fire Department tax must be paid.

Report all fires to State Fire Marshal.

Premium tax to be paid.

Outside companies pay \$50 for benefit of State school fund.

March 15 Fire Marshal tax is payable.

# KENTUCKY

## STATE REQUIREMENTS.

**AGENTS DEFINED**—Sec. 633. “\* \* \* Whoever solicits and receives applications for insurance on behalf of any insurance company, or transmits for any person other than himself an application for insurance, or a policy of insurance to, or from, such company, or advertises that he will receive or transmit the same, or who shall, in any manner, directly or indirectly, aid or assist in transacting the insurance business of any insurance company, shall be held to be an agent of such company within the meaning of this article, anything in the policy or application to the contrary notwithstanding.” Penalty for acting as agent without a license, fine of \$50 to \$100 for each offense.

**AGENTS' LICENSES**—Agents must procure licenses on application of companies, annually from the Insurance Commissioner, which expire on March 1. Penalty for acting as agent without a license, fine of \$50 to \$100 for each offense. Each member of a firm, and each person who solicits insurance, or receives any part of a commission or benefit therefrom, must procure a license. Penalty for acting for an unauthorized company, a fine of \$25 to \$500, or imprisonment for not more than one year, or both. Any agent writing insurance in an unauthorized company becomes personally responsible for any loss under such policy, according to a decision of the Kentucky Appellate Court. A corporation cannot be licensed as an agent.

**ANNUAL STATEMENTS**—Must be filed within one month after January 10. Time may be extended for not longer than 60 days by the Insurance Commissioner, for good cause. Penalty for failure to file statement or reply to any inquiry, fine of \$500, and \$500 additional for every month's delay; also revocation of agents' licenses. Penalty for making false statement, imprisonment for two to ten years. Classification of business required to be filed annually. See “Foreign Companies' Home Office Statements,” and “Tax Statements”; no other annual reports required. Domestic mutual companies file annual statements by February 28.

**ANTI-COINSURANCE**—Law of 1916. Sec. 22. “\* \* \* It shall be lawful for corporations, firms or individuals doing a fire insurance business in this State to contract with the assured that the assured shall during the life of such contract maintain insurance upon the property insured to the extent of an agreed proportion of the actual cash value of the property at the time that a fire occurs, and that should the assured fail to do so, the assured shall be a co-insurer to the extent that the insurance then in force is less than the amount of such agreed proportion, and to that extent shall as co-insurer bear his part of any loss. Provided, however, that the acceptance of such contract shall be at the option of the assured and that a reduced rate shall begin when such clause is used. No such provision shall be



valid unless the filing back of the policy be endorsed, the blanks being properly filled in: "Rate reduced from ..... to ..... per \$100 insurance in consideration of co-insurance clause making owner bear partial loss of .... percentum or less in proportion insurance is less than such .... percentum of value at time of fire"; provided, further, that both the insurer and the insured shall sign the agreement provided herein. (See "Valued Policy.")

**ANTI-COMPACT**—Law permits co-operation. See "Rating Schedules to be Filed."

**ANTI-DISCRIMINATION**—Discrimination between insureds of the same class is prohibited by the State Insurance Board law of 1916. Agents must not give rebates.

**ATTORNEY**—The Insurance Commissioner and all resident agents must be appointed attorney to accept service of legal process. Insurance Commissioner must be appointed for reciprocal exchange.

**CANCELLATION OF POLICY**—No provision for notice to insured.

**CAPITAL REQUIRED**—Stock companies of other States are required to have at least \$150,000 of paid-up capital; domestic stock companies must have at least \$50,000 capital. Attorney for inter-insurance exchange must hold \$25,000 available for loss payments.

**COMMISSIONS TO NON-RESIDENTS**—Licensed agent may divide commission with another agent licensed in Kentucky to write similar insurance, or with a non-resident agent of an authorized company on property owned by non-residents or located outside of Kentucky, but cannot divide commission on Kentucky property owned by a resident, with a non-resident agent.

**DEPOSIT**—Foreign companies must have \$200,000 deposited in Kentucky or some other State in securities in which they are authorized to invest their capital stock by the laws of the respective States in which their deposits are made, or in which similar companies in Kentucky may, by law, invest their capital and accumulations. See "Investments Prescribed."

**DOMESTIC COMPANIES**—Sec. 617. Provides for the incorporation of an insurance company by not less than 13 persons, against loss by fire, lightning, tempest or perils of the sea, including risk of inland navigation and transportation. A single company cannot transact business upon both stock and mutual plans. A stock company must not have a smaller capital than \$50,000, which stock shall be divided into shares of \$10 each.

**EXAMINATIONS**—Sec. 752. "Before granting certificates of authority to an insurance company to issue policies or make contracts of insurance, he shall be satisfied, by such examination and evidence as he sees fit to make and require, that such company is otherwise duly qualified under the laws of the Commonwealth to transact business therein. As often as once in four years he shall, personally or by his deputy or chief clerk, or by some competent person appointed by him for the purpose, visit each domestic insurance company and thoroughly inspect and examine its affairs, espe-

cially as to financial condition and ability to fulfill its obligations, and whether it has complied with the laws. He shall also make an examination of any such company whenever he deems it prudent so to do, or upon the request of five or more of the stockholders, creditors, policyholders, or persons pecuniarily interested therein, who shall make affidavit of their belief, with specifications of their reasons therefor, that such company is in an unsound condition. Whenever he deems it prudent for the protection of policyholders in this Commonwealth, he shall, in like manner, visit and examine, or cause to be visited and examined, by some competent person he may appoint for that purpose, any foreign insurance company applying for admission, or already admitted, to do business by agencies in this Commonwealth." Expenses must be borne by the company. "Whoever, without justifiable cause, refuses to appear and testify, when so required, or obstructs the Commissioner in the discharge of his duty, shall, for each offense, be punished by a fine not exceeding \$1000, or by imprisonment not exceeding one year; and if the directors, officers or agents of any foreign company shall refuse to appear and testify when so required, the Insurance Commissioner shall revoke the certificate of authority and license of such company and its agents."

**FEES**—For filing copy of charter or articles of incorporation or declaration of intention to form company, \$30; annual statement, \$25; certificate of compliance, \$25; license to each agent and certificate of seal of office, each, \$3; no fee for license to agent of domestic company, any additional or supplemental statements for the same year, \$25; seal of office, \$1; copies of any paper on file or deposit, per folio, 20c.; for filing home office statement of foreign company, \$25. Fees payable to Insurance Commissioner. Assessment or co-operative companies pay: For filing articles of incorporation, \$10; for filing annual statement, \$10; for any change of territory and filing papers and keeping records of same, \$5. Other State mutual company on entering pays \$30 for filing charter, \$25 for filing annual statement, and \$25 for certificate of compliance. Inter-insurance exchange pays \$25 for filing annual statement, and for certificate of compliance, \$25. Retaliatory law applies to fees, if greater in other States.

**FIRE DEPARTMENT TAX**—No provision.

**FIRE MARSHAL**—State Auditor is authorized to investigate fires.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—No express provision. Statements required by the Insurance Commissioner under discretionary power vested in him. Fee for filing, \$25.

**GENERAL PENALTY**—Fine of \$10 to \$500 or imprisonment for ten to thirty days, or both.

**IMPAIRMENT**—Sec. 695. "When the net assets of any company incorporated in this State do not amount to more than four-fifths of its paid-up capital, it may make good its capital to the original amount by assessment of its stock. \* \* \* If such company shall not, within three months after notice from the Insurance Commissioner to that effect, make good its capi-

tal as aforesaid, or reduce the same as allowed \* \* \*, its authority to transact new business shall cease." Penalty for failure of agent to notify persons insured by them of the suspension of the company, fine of \$50 to \$100 for each offense. Agents are forbidden to transact business for an outside company whose capital is impaired twenty per cent, while such deficiency shall continue, unless it shall be repaired within sixty days. When mutual company's liabilities exceed its assets, it must levy an assessment.

**INVESTMENTS PRESCRIBED—Sec. 625.** "The capital stock and accumulations of all insurance corporations may be invested in bonds and mortgages, lien notes or deeds of trust on unencumbered real estate, worth fifty per cent more than the sum loaned thereon, exclusive of buildings, unless such buildings are insured, and the policy transferred to said company, and continued in force so long as the loan continues, and, also, in the bonds of this State and of other States of the United States, or in the bonds of the United States, and, also in the bonds of any county, city, town, township or school district, of this State or other States of the United States, authorized to be issued by the Legislature thereof, and also in the stocks of incorporated State banks and trust companies, and of National banks of this State and other States of the United States, and in the bonds of railroads of this State and other States of the United States, and of incorporated insurance companies of this State and other States of the United States, and in the bonds or stocks of any bridge, water, street railroad, traction, gas, or electric corporation of this State or of other States of the United States, which shall have a market value of not more than twenty per cent below par, and to lend the same, or any part thereof, on the security of such bonds and stocks, or of bonds and mortgages and deeds of trust as aforesaid \*\*; and to change and reinvest the same as occasion may from time to time require; and in all investments made upon mortgage securities the evidence of the debt and value of the property shall accompany the mortgage. No insurance company shall own more than one-third of the capital of any bank, nor invest in, nor loan on, the stocks and bonds, both included, of any one railroad company, more than one-seventh of its capital stock and accumulated funds, nor in the aggregate shall the investment in and loan on all railroad property exceed one-half of its capital and accumulated funds, nor invest in nor loan on the stock and bonds, both included, of any one street railroad or traction corporation more than one-seventh of its own capital stock and accumulated funds, nor in the aggregate shall the investment in and loan on all street railroad and traction property exceed one-half of its capital and accumulated funds, nor shall the loans on mortgage of real estate, exclusive of lien notes, exceed three-fourths of the capital and accumulated funds of any company organized under the laws of this Commonwealth. Insurance companies, chartered by this State, and now doing business, shall not be compelled to change any investment heretofore legally made." Company may own such real estate as is necessary for

the convenient transaction of its business, and for not longer than 5 years, such as has been taken in payment of debts or under foreclosure.

**LIMIT ON A SINGLE RISK**—Must not exceed ten per cent on its paid-up capital and surplus. Sec. 687. “\* \* \* If the directors allow to be insured on a single risk a larger sum than the law permits, they shall be liable for any loss thereon above the amount they might lawfully insure. If a company is under liability for losses equal to its net assets, and the president and directors, knowing it, make or assent to further insurance, they shall be personally liable for any loss under such insurance.” For a new mutual company, limit is three times the average risk or 1 per cent of insurance applied for, whichever is greater. For a Lloyds, one-fifth of its cash and invested assets, including liability of underwriters.

**LLOYDS**—Law of 1916, Sec. 26, provides for the transaction of business by Lloyds and inter-insurance exchanges. A Lloyds must possess funds equal to amount required of a domestic stock company; must have at least 25 underwriters, each worth at least \$20,000 net. Usual documents must be filed. Alien underwriter must deposit \$5000, unless association has \$100,000 deposited with some State Insurance Dept. or a trustee. See “Taxes.”

**MARINE INSURANCE**—In general, laws relating to fire insurance companies apply also to companies transacting marine insurance.

**MISCELLANEOUS**—Policies of stock companies must show upon their face that they are stock policies. Each company must transact business in its own proper and corporate name. Over-insurance is prohibited. Citizens placing insurance in unauthorized companies must pay tax of 2 per cent on premiums.

**MUTUAL COMPANIES**—Companies are not permitted to transact business upon both stock and mutual plans. Mutual companies' titles must include the word “mutual.” Twenty persons may incorporate a mutual company, which must have subscriptions for 200 risks, for at least 20 members, aggregating \$500,000.

**PRELIMINARY DOCUMENTS**—Copy of charter and financial statement as of December 31 preceding, must be filed. Foreign companies must file copy of charter, certified to by custodian of original; home office and United States branch statements (also annually); certificate of deposit; original power of attorney to United States manager, authorizing him to act for the company in this country; resolutions of board of directors authorizing service of process upon Insurance Commissioner or upon any agent of the company in the State. (All original documents.) Certificate of compliance with laws of home State not required annually. Articles of incorporation and certificate of deposit (of foreign company) need be filed but once. Other State mutual company files copy of charter and articles of association, certified copy of by-laws, power of attorney to Commissioner, certificate of compliance from home State, and financial statement.

**PUBLICATION**—No requirement. Advertisements must, when they show a

company's assets, show its liabilities "with equal conspicuousness"; and when capital is advertised, only the paid-up portion shall be published.

**RATING SCHEDULES TO BE FILED**—A law which went into effect June 12, 1916, repealed the rating law of 1912 and created the State Insurance Board, made up of the Insurance Commissioner and two other members. This was amended in 1918 so as to abolish the Board and transfer its duties to a Superintendent of Fire Insurance Rates, approved by the Auditor of Public Accounts. The expenses of the Superintendent are limited to  $\frac{1}{2}$  of 1 per cent upon the taxable premiums of fire insurance companies. Sec. 4 provides that every fire insurance company authorized in Kentucky shall be a member of or maintain a rating bureau, and shall not be a member of more than one bureau for the purpose of rating the same risk against the same hazard. The expenses of the rating bureau are borne proportionately according to gross premiums, less return premiums and dividends on participating policies. A fee not exceeding \$50 may also be charged. Rating bureaus must inspect risks rated by schedule and written surveys shall be made permanent records, also furnishing copies to owners of property inspected and rated. The Superintendent has supervision over all rating bureaus and may examine same when deemed expedient, and not less than once every two years, unless such bureau has been examined by some other Insurance Department or proper supervising officer within three years. Discriminatory rates are prohibited, and any deviation from a schedule must be applied uniformly to all risks in the same class. The Superintendent may investigate rates deemed to discriminate unfairly between risks of like character, and may order a discrimination removed. If the record of business shows more than a reasonable profit in Kentucky—for the stock fire companies in five years—the Superintendent may order a reduction in rates. No rate may be increased above that in effect December 1, 1915, within two years therefrom, unless there has been an increase in the hazard as to the property rated, and any increase in rate shall correspond to the increase in hazard. No such rate shall be reduced by order of the Superintendent during said period, but rates may be reduced by the rating bureau or bureaus. (This does not apply to reductions ordered because of discriminations.) Schedules and tables for rating unprotected mercantile risks and the term rule filed in December, 1915, may be applied. No company nor bureau may enter into an agreement with regard to the making, fixing or collecting of any rate except in compliance with this law. Orders of the Superintendent are subject to court review. Violation of the foregoing is punishable by a fine of \$100 to \$500.

**RECIPROCAL INSURANCE**—Law of 1916, Sec. 25, provides for transaction of business by reciprocal and interinsurance exchanges. Attorney must state name, kind of insurance to be transacted; file form of policy and power of attorney; state that applications have been made for in-

demnity upon 75 separate risks aggregating \$1,500,000, and that at least \$25,000 is on deposit with the attorney available for payment of losses. No subscriber shall write on a single risk more than ten per cent of his net worth. Usual unearned premiums must be maintained in cash or convertible securities.

**RECIPROCAL LAW**—Art. IV., Sec. 637. "When by the laws of any other State any taxes, fines, penalties, deposits of money, or of securities, or other obligations, prohibitions or requirements, are imposed upon insurance companies organized or incorporated under any general or special law of this State, transacting business in such other State, or upon the agents of such insurance company, greater than those imposed upon similar companies by the laws of this State, or when such laws of other States shall require insurance companies of this Commonwealth to deposit money or security for the benefit or protection of citizens of such other States, or when the laws of any other State, or the officers thereof, shall prohibit companies of this Commonwealth from transacting business in said State without a special examination of said companies, or a computation of their liabilities by the officers of said State, the same taxes, fines, penalties, deposits, examinations, obligations and requirements shall be imposed upon all insurance companies doing business in this State, which are incorporated or organized under the laws of such State, and upon their agents.

**REINSURANCE**—No restriction of reinsurance to authorized companies, but no credit is allowed for reinsurances in unauthorized companies. Reinsurances must be reported. Kentucky companies pay a tax of two per cent on reinsurances in unauthorized companies.

**REINSURANCE RESERVE**—Fifty per cent of gross premiums received or receivable upon unexpired risks, running one year or less; pro rata on risks for longer terms; entire premium on marine risks; applies also to mutual companies.

**RESIDENT AGENTS**—Only bona fide residents of the State can be licensed as agents, and all Kentucky business, except rolling stock of common carriers and property in transit must be placed through such resident agents. This provision does not apply to risks placed in mutual companies or inter-insurance exchanges on which no commission is paid except to a home office manager. See "Taxes."

**SEMI-ANNUAL STATEMENTS**—Not required.

**STANDARD POLICY**—No requirement. Inter-insurance exchange must file copy of policy contract.

**TAXES**—Law of March 15, 1906. Subdivision VI., Sec. I., requires that each company (other than domestic) writing insurance on property in Kentucky or doing business therein shall file with the Auditor of Public Accounts, by January 30, annually, a statement of all premiums received in the preceding calendar year on policies written by local resident agents, showing the receipts of each local agency, and the losses paid thereon, and shall at the same time pay into the State Treasury a tax of two per cent

on such premiums. A similar statement shall show premiums and losses on business written at home office, branch offices, by brokers or by non-resident agents, or by reinsurance of companies not authorized in Kentucky, and a like tax of two per cent shall be paid on such premiums. If not paid within 30 days, a penalty of \$5 per \$100 of premium will be imposed. Details of business not written through resident agents must be given. Mutual assessment companies, associations, individuals, firms, underwriters or Lloyds not organized in Kentucky, but having resident members doing business therein, must annually, by July 31, pay a license tax of two per cent on assessments paid or collected. Persons insuring in such unauthorized associations must report annually by July 31 and pay the tax. Penalty for violation, fine of \$100 to \$500. Kentucky companies reinsuring in unauthorized companies must pay a tax of two per cent on such business. Domestic companies are required to pay organization tax of one-tenth of one per cent on capital and on subsequent increases thereof. No credit on taxes for reinsurances in unauthorized companies. Penalty for acting for a company in default for taxes or fees, fine of \$50 to \$100, and imprisonment for 30 to 50 days. The expenses of the Superintendent of Fire Insurance Rates, not exceeding one-half per cent of taxable premiums, are to be collected from the companies coming under its provisions, in proportion to their net premiums collected in the State. Reciprocal exchanges pay two per cent on gross premiums or deposits, less amounts returned to subscribers or credited as savings; also fire marshal and Rate Superintendent taxes (one per cent). Lloyds pay same taxes and fees as foreign stock companies.

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TAX STATEMENTS—Law of March 15, 1906. Subdivision IV. "Every insurance company, other than life insurance companies, and all fire insurance companies, not organized under the laws of this State, but doing business therein, shall, on the thirty-first day of December in each year, or within thirty days thereafter, return to the Auditor of Public Accounts, for deposit in the Insurance Department, a statement under oath, of all premiums received in this State, or out of this State, on business done in this State during the year ending on the thirty-first day of December last preceding or since the last returns were made. and shall give the name and location of, and the amount of premiums received by each agent, and losses paid at each agency, and shall at the same time, pay into the State Treasury a tax of two dollars upon each one hundred dollars of said premiums so ascertained, less returned premiums on canceled policies and reinsurance in companies having authority to transact business in this State, and upon payment file a statement thereof with the Secretary of State." Subdiv. V. Sec. 1. "Any insurance company failing or refusing for thirty days to return the statement required, under the oath of some principal officer or general agent or manager of the State, and to pay the tax required, shall forfeit \$100 for each offense, and it shall

be the the duty of the Insurance Commissioner to revoke the authority of such company or its agents, and to publish such revocation in some newspaper of this Commonwealth." Sec. 2. "Any insurance company that has been authorized to transact business in this State shall continue to make the reports required herein as long as it collects any premiums as provided for herein, and shall pay taxes thereon, even after it has voluntarily ceased to write insurance in the State, or has withdrawn therefrom, or its license suspended or revoked by the Insurance Commissioner, and for failure to make report of the premiums collected and pay the taxes due thereon, shall be fined \$500 for such offense." Sec. 3. "Any company or association, as contemplated in the preceding sections, failing or refusing to return the statement, or pay the taxes as herein required, shall be deemed guilty of a misdemeanor, and, on conviction, be fined \$1000 for each offense. If any officer of any of the companies or associations mentioned in this article shall make any false statement in any report herein required, he shall be deemed guilty of perjury, and, on conviction, be punished accordingly." Sec. 4. "The Franklin Circuit Court shall have jurisdiction of all prosecutions under this article." Sec. 5. "The Auditor of Public Accounts may, by action, sue for and recover, in the name of the Commonwealth of Kentucky, all taxes due the State under this article, and the Franklin Circuit Court shall have jurisdiction of such action." In addition to the 2 per cent tax, companies pay  $\frac{1}{2}$  per cent for expenses of State Insurance Board. Other State mutual companies, under law of 1916, Sec. 22a, pay 2 per cent on taxable premiums into State Treasury by March 1; also 1 per cent tax, covering  $\frac{1}{2}$  per cent for expenses of State Insurance Board. Taxable premiums are deposit premiums in force during year, less unabsorbed portion on basis of return actually made on policies expiring during year. Inter-insurance exchange pays similar taxes (2 per cent and 1 per cent) on premiums or deposits, less amounts returned or credited to subscribers.

**VALUED POLICY**—Sec. 22 (1916). "That insurance companies that take fire or storm risks on real property in this Commonwealth shall, on all policies issued after this act takes effect (in case of total loss thereof by fire or storm), be liable for the full estimated value of the property insured, as the value thereof is fixed in the face of the policy; and in cases of partial loss of the property insured, the liability of the company shall not exceed the actual loss of the party insured; provided, that the estimated value of the property insured may be diminished to the extent of any depreciation in the value of the property occurring between the dates of the policy and the loss; and, provided, further, that the insured shall be liable for any fraud he may practice in fixing the value of the property, if the company be misled thereby. Provided, that the provisions of this section shall not be applicable to policies containing the co-insurance clause as authorized herein. \* \* \*

See "Anti-Coinsurance."



**COUNTY TAXES AND FEES.**

None.

**MUNICIPAL TAXES AND FEES.**

ADAIRVILLE—For each company, \$3, payable January 1.

AUBURN—For each company, \$6, payable January 1.

AUGUSTA—For each company, \$100, payable July 1. Company with two or more agencies, \$200.

BARDSTOWN—For each company, \$5, payable from date commencing business.

BLOOMFIELD—For each company, \$5, payable annually, March 1.

BOWLING GREEN—For each company, \$25.50, payable May 1.

BURGIN—For each company, \$10 per annum.

CAMPBELLSVILLE—For each company, \$15, payable July 1.

CARLISLE—For each company, \$10.25, payable January 1.

CARROLLTON—For each company, \$15; for each agent or firm, \$15, payable June 14.

CLINTON—For each company, \$10.50, payable April 10.

COLUMBIA—For each agent, \$5 for first company represented, and \$1 for each additional company represented.

CORBIN—For each agency, \$5, payable annually, January 1.

COVINGTON—For each company, one and one-half per cent on gross premiums of calendar year, payable May 1.

CYNTHIANA—For each company, \$15, payable January 1.

DANVILLE—For each company, \$10, payable July 1.

DOVER—For each company, \$5, payable January 1.

ELKTON—For each company, \$8, payable annually.

EMINENCE—For each company, \$10, payable January 1.

FALMOUTH—For each company, \$10, payable May 1.

FLEMINGSBURG—For each company, \$20.25, payable January 1.

FRANKFORT—For each company, \$50; for each agent, \$25, payable May 1.

FULTON—For each company, \$5.25.

GEORGETOWN—For each company, \$12.75, payable January 1.

GLASGOW—For each company, \$10.50, payable May 15.

GREENVILLE—For each company, \$5; for each agent, \$5, payable annually, January 1.

GUTHRIE—For each agent, \$10 per annum, payable from date of issue.

HARLAN—For each company, \$10; for each agent, \$10, payable January 1.

HARRODSBURG—For each company, \$10, payable January 1.

HENDERSON—For each company, \$15, payable May 1.

HICKMAN—For each company, \$15.50, payable annually, semi-annually or quarterly.

HODGENVILLE—For each company, \$10, payable June 9.

HOPKINSVILLE—For each company, \$25, payable May 1.

- JUNCTION CITY—For each company, \$5.25; payable in advance.
- LANCASTER—For each company, \$5.25, payable January 1.
- LAWRENCEBURG—For each company, \$5, payable July 1.
- LEBANON—For each company, \$11, payable upon commencing business.
- LEBANON JUNCTION—For each company, \$5 annually, January 1.
- LEXINGTON—On premiums, 3 per cent, payable in March. For original license, \$25.
- LIVERMORE—For each company, \$10, payable July 1.
- LONDON—For each company, \$5, payable annually, January 1.
- LOUISVILLE—For each company, 2½ per cent of premiums, payable February 1, to Sinking Fund. First year, \$50 (or pro rata to January 1). Salvage corps, assessment, 2 per cent. Insurance adjuster, \$125 per year; insurance solicitor, \$10. *Bras 2 3/4 1/170*
- MADISONVILLE—For each company, fire, \$8.25; fire and tornado, \$13.25.
- MARION—For each company, \$5.50, payable April 9.
- MAYFIELD—For each company (regardless of number of agents), \$10.50.
- MAYSVILLE—For each company, \$10.50, payable January 1.
- MIDDLESBORO—For each company, \$10, payable April 30.
- MIDWAY—For each company, \$5, payable January 1.
- MILLESBURG—For each company, \$5, payable January 1.
- MOUNT STERLING—For each company, \$26; for each agent, \$13 (pro-rated), payable January 1.
- MURRAY—For each company, \$7.50, payable April 1.
- NEW CASTLE—For each company, \$2.50, payable upon commencing business.
- NEWPORT—Two and one-half per cent on gross premiums, in advance, based on previous year's business, payable first Monday in May (minimum, \$25).
- NICHOLASVILLE—For each agent, \$6, payable May 15.
- OWENSBORO—On receipts, \$1000 or less, \$10; \$1000-\$2000, \$15; \$2000-\$3000, \$25; over \$3000, \$35, payable May 1; for each agent writing farm risks, \$10.
- OWINGSVILLE—For each agent, \$5, payable January 1.
- PADUCAH—For each company, 1 per cent on net premiums, minimum, \$15, payable annually in January.
- PARIS—For each company or agent, \$25, payable May 1.
- PINEVILLE—For each company, \$16, payable January 1.
- PRINCETON—For each company, \$15.50, payable July 1.
- RICHMOND—For each company, \$15, payable July 1.
- RUSSELLVILLE—For each company, \$21, payable as licenses expire.
- SCOTTSVILLE—For each company, \$10.25, payable August 11 each year.
- SHELBYVILLE—For each company, \$15, payable July 1.
- SOMERSET—For each agent, \$10, payable July 1.
- SPRINGFIELD—For each company, \$5, payable April 1.
- STANFORD—For each company, \$10.50, payable when applied for.
- VERSAILLES—For each company, \$10.25, payable February 1.

**WILMORE**—For each company, \$5, payable October 1.

**WINCHESTER**—For each company, \$20.50, payable May 1.

**On or before**

**CALENDAR—KENTUCKY**

Jan. 30	Tax statement must be filed. Premium tax is payable.
Feb. 10	Annual statement must be filed.
March 1	Agents' licenses must be obtained.
	State Insurance Board tax is payable (usually paid with State premium tax).

# LOUISIANA.

## STATE REQUIREMENTS.

**AGENTS DEFINED**—Act 105 of 1898. Sec. 23 of Article III. "Any person who solicits insurance for a consideration on behalf of any insurance company, or transmits for a person other than himself an application for, or a policy of insurance to, or from, such company, or offers or assumes to act in the negotiation of such insurance, shall be deemed an insurance agent within the intent of this act, should he receive from the company any compensation whatsoever, either for himself or for any other person, partnership or corporation, and shall thereby become liable to all the duties, requisitions, liabilities and penalties to which an agent of such company is subject."

**AGENTS' LICENSES**—Act. 167, Laws of 1902, Sec. 4. "\* \* \* That no person shall act as agent, solicitor or representative of any insurance company, corporation or association, partnership or combination of persons incorporated, organized, associated or combined by virtue of the laws of this State or any other State of the United States or any foreign country, directly or indirectly taking risks or transacting any kind or form of insurance business in this State without being provided with a certificate of authority from the Secretary of State showing him to be duly authorized to act as such agent, representative or solicitor of duly authorized company, corporation or association." Penalty for acting as agent without procuring certificate of authority, or acting as agent after certificate of authority has been revoked, a fine of not less than \$100 nor more than \$300, or imprisonment for not less than thirty days, nor more than ninety days upon conviction before a court of competent jurisdiction. Certificate shall continue in force until the thirty-first day of March next after its issue, unless revoked for cause. It is held that an agent must hold a certificate for each and every company in which he places a risk. An agency corporation is licensed as a firm, and a certificate is not needed for each officer or member of said firm. Applications for licenses must be made by company officers, under seal, by March 31 of each year.

**ANNUAL STATEMENTS**—Must be filed by February 28. See "Publication." Penalty for false advertisement of financial condition, \$100 for first offense; \$300 for each subsequent offense; for making false reports or entries with intent to deceive, imprisonment for from one to three years. The classification of business must be filed annually with the Secretary of State before March 1. These statements, the tax statement and anti-compact affidavits are the only documents required annually.

**ANTI-COINSURANCE**—An anti-coinsurance law passed in 1908 prohibits absolutely the use of the coinsurance or any similar clause in policies on immovable property, but specially permits its use in policies on movable property, requiring, however, that any policy containing such clause shall have stamped upon its face and back a statement to the effect that "this

policy is issued subject to the conditions of the coinsurance clause attached hereto."

**ANTI-COMPACT**—Act 224 of 1912, Sec. 1. "It shall be unlawful for any fire insurance company, association or partnership, doing a fire insurance business in this State, to enter into any combination or compact with other fire insurance companies, associations or partnerships, or to require or to allow their agents to enter into any combinations or compact with other fire insurance agents, companies, associations or partnerships for the purpose of governing, controlling or influencing the rates charged for insurance on property situated in this State." Companies may employ a common agent to "supervise and advise of defective structures or to suggest improvements to lessen fire hazards," but the purchase of rate books is deemed a violation of law. Affidavit of compliance must be filed annually before December 1. Penalty for violation, revocation of license for balance of its term and for one year thereafter. Premiums received after such revocation must be returned. A law permitting a fire prevention bureau was passed in 1904. This makes it lawful for the bureau to indicate on its advisory inspection reports the "basis cost of the risk to be assumed," etc. Foreign companies are forbidden to enter into agreements relative to the compensation of their agents.

**ANTI-REBATE**—Act 105 of 1898. Sec. 5 of Article III. "The payment of any commission, brokerage or rebate on any business to any but the authorized agent or representatives of any company legally authorized to do business in this State is expressly prohibited. Any violation of this section will be punished by a fine of not less than \$100 nor more than \$250 for each separate offense." The Kaliski bill, which became a law in 1908, authorizes Louisiana agents to divide commissions with agents of other States.

**ATTORNEY**—The Secretary of State must be authorized to accept service of legal process.

**CANCELLATION OF POLICY**—The standard policy requires five days' notice to insured.

**CAPITAL REQUIRED**—Stock companies must possess a paid-up capital of not less than \$200,000. Mutual companies must have cash assets equal to \$200,000.

**COMMISSIONS TO NON-RESIDENTS**—Commissions must be paid to resident agents; but agents may divide their commissions with duly authorized agents in other States.

**DEPOSIT**—Each company must deposit an individual or surety bond for \$20,000 for the protection of Louisiana policyholders. Foreign companies must have \$200,000 deposited in Louisiana or some other State. (No requirement as to nature of investments.)

**DOMESTIC COMPANIES**—Any number of persons, not less than fifteen, citizens of the United States and residents of this State, may form an insurance company on the stock plan, to insure fire, marine and river risks. A capital of \$200,000 must be subscribed and fifty per cent of same paid

in before commencement of business, and the whole capital must be paid in within one year from date of charter. Copy of charter must be filed, and company must be examined before it is licensed. No dividends shall be declared except from surplus profits, under penalty of \$1000.

**EXAMINATIONS**—Act 105 of 1898. Sec. 14 of Article I. "As often as once in every three years, or oftener, if in the judgment of the Secretary of State there should arise a necessity, the Secretary of State may personally, or by his assistant, or by one or more competent persons appointed by him, and who are not officers of, or connected with, or interested in any insurance corporation doing business in this State, other than as policyholders, visit each insurance company organized under the laws of this State, and thoroughly inspect and examine its affairs, especially as to its financial condition and ability to fulfil its obligations, and whether it has complied with the laws. He may also make an examination of any such company whenever he deems it prudent to do so upon the request of five or more of its stockholders, creditors, policyholders or persons pecuniarily interested therein, who shall make affidavit of their belief, with specifications of their reasons therefor, that such company is in an unsound condition. For the purposes aforesaid, the Secretary of State or his assistant, or the person or persons employed as aforesaid, making the examination, shall have free access to all the books and papers of an insurance company that relates to its business, and to the books and papers kept by any of its agents, and may summon and qualify as witnesses, under oath, and examine the directors, officers, agents and trustees of any such company, and any other person or persons, in relation to its affairs, transactions and conditions. If, after such an examination, he is of the opinion that the company is insolvent, or has exceeded its powers, or that its condition is such as to render its further proceedings dangerous, he shall at once call upon the board of directors to take such steps as may be necessary to restore the company to a solvent condition." Penalty for refusing to permit an examination, revocation of license. Act 217 of 1914 requires companies to pay cost of examination.

**FEES**—"For each and every certificate to any instrument of writing, or otherwise, where the seal of his office is affixed, one (\$1) dollar. For recording, or copying, twenty-five (25) cents per hundred words. For examination of charter of domestic company, twenty-five (\$25) dollars. For each and every certificate of authority or compliance to a company or association, ten (\$10) dollars; for each agent's certificate (a firm being considered as one), two (\$2) dollars; filing annual statement, fifteen (\$15) dollars; filing any additional paper required by law, twenty-five (25) cents. Every company organized under the laws of any other State and admitted to transact business in this State, and each agent of every such company, shall pay the same fees to the Secretary of State of this State as are imposed, or would be required, by such other State of any similar companies incorporated by, or organized under, the laws of this State, or upon the agents of any such com-

panies transacting business in such other State. Foreign companies shall pay fees the same as imposed on such companies by the State where its deposit of \$200,000 in the United States has been made." Companies bear cost of examinations by Secretary of State. Broker's license fee, \$20.

**FIRE DEPARTMENT TAX**—A tax of one per cent on premium receipts may be levied in protected cities, towns and villages.

**FIRE MARSHAL**—Investigation of fires is provided for, and a tax of one-half of one per cent is levied on gross premiums to defray fire marshal's expenses.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—None required.

**GENERAL PENALTY**—For violations of law not specifically provided for, fine of \$100 to \$500.

**IMPAIRMENT**—Act 105 of 1898. Sec. 8 of Article I. "If it appears to the Secretary of State from any statement made to him, or from an examination made by him, or by any examiner appointed by him, that the capital stock of any insurance company organized under the laws of this State is impaired to the extent of twenty-five (25) per cent thereof, or that its assets are insufficient to justify its continuance in business, he shall determine the amount of such impairment or deficiency and issue a written requisition to the corporation to require its stockholders to make good the amount of the impairment, or deficiency, within such period as he may designate, not more than ninety (90) days from the service of such requisition. If the amount of any such impairment or deficiency shall not be made good within the time specified in such requisition the corporation shall be deemed insolvent, and may be proceeded against as an insolvent corporation by the Secretary of State."

**INSURANCE IN UNAUTHORIZED COMPANIES**—Act 105 of 1898. Sec. 20 of Article III. "\* \* \* The Secretary of State, upon the annual payment of \$20, may issue to any person, corporation, or partnership having property in this State, a certificate of authority, subject to revocation at any time, permitting the person, corporation, or partnership named therein, to procure policies of insurance on property, his own or their own, located in this State in companies which are not authorized to do business in this State. Whenever a person, corporation or partnership holding such certificate of authority shall procure any insurance under, or by virtue of, such certificate of authority, within thirty days from the date of applying for same, the said person, corporation or partnership shall report same to the Secretary of State with an affidavit setting forth that after diligent effort such person, corporation or partnership was unable to procure at current rates the full amount required to protect the property owned by such person, corporation or partnership from the insurance companies duly authorized to transact business in this State. And that such person, corporation or partnership has placed with companies not authorized to do business in this

State only the amount necessary to complete the sum of insurance required to protect the property after securing all of the insurance obtainable at current rates from companies authorized to do business in this State. Each person, corporation or partnership holding such certificate of authority shall file in January of each year a sworn statement giving the names of companies in which such outside insurance has been placed, the number, the amount, and the expiration of each policy, and the gross premium charged therefor, and he shall pay a tax upon such gross premium (less return premium) of three per centum. All insurance policies issued on property located in this State by companies that have not complied with the requirements of the general insurance laws of the State shall be void, except such as shall have been secured as herein set forth. Insurance companies authorized to do business in this State, may effect reinsurance in companies not authorized to do business in this State on the same terms and conditions as are set forth in this section relating to owners of property. Any person, corporation, partnership or company applying for authority under this section shall execute and deliver to the Secretary of State a bond for such amount as the Secretary of State shall fix with such securities as he shall approve of to guarantee the faithful observance of the provisions of this law. Should any company neglect or refuse to comply with the provisions of this section, it shall be the duty of the Secretary of State to revoke its license to do business in this State."

**INVESTMENTS PRESCRIBED**—Domestic companies may invest their capital in bonds of the United States or of Louisiana, or in the legally authorized bonds of any levee or other board in Louisiana, or in the bonds of any city in Louisiana of more than 5000 inhabitants, or in the stock of any banking or other corporation organized under the laws of Louisiana, or of the United States, provided that such stock shall be at a premium, or in first mortgages on real estate located in Louisiana, the market value of which shall be at least double the amount loaned thereon. No company may hold more than one-fourth of the capital stock of any corporation, nor shall it lend more than forty per cent of the sum of its capital on mortgages of real estate, nor more than five per cent of the sum of its capital in one mortgage. No domestic company may deal or trade in buying or selling goods, wares or merchandise except articles insured by it on which losses are claimed, and except in replacing, rebuilding or repairing insured property, as provided in its policies, nor discount commercial or other than first mortgage paper, nor engage in any banking business whatsoever. A domestic company may hold and convey real estate for the convenient accommodation of its business to the extent of twenty-five per cent of its capital and net surplus, but all other real estate acquired in the course of business shall be sold and disposed of within five years after it shall have acquired title to same, but in the event of its interests suffering materially on account of such forced sale the time may be extended by procuring a certificate from the Secretary of State, and in case a company does marine or inland marine



business it may also acquire and hold such real property within Louisiana or upon or in its waters, which is and may be adapted to, or available for use in protecting, storing or caring for such vessels and appliances as are or may be employed for assisting the same, and may manage and dispose of such real property as if it were an incorporate owner thereof. Domestic companies may also invest in homestead securities.

**LICENSED BROKERS**—A law passed in 1914 provides for the licensing of fire insurance brokers. (See "Insurance in Unauthorized Companies.")

**LIMIT ON A SINGLE RISK**—Ten per cent of paid-up capital and net surplus.

**LLOYDS**—Lloyds associations may be authorized to transact marine insurance but must deposit \$100,000 in cash or securities with any bank or trust company of the United States, approved by the Secretary of State of Louisiana; must file a statement; present evidences of responsibility of underwriters and show that the organization does not write more than one-fifth of the aggregate of the subscription of the several underwriters or the amount to which they may become liable on any one risk.

**MISCELLANEOUS**.—Companies must furnish blanks for proof of loss. Penalty is provided for not paying a loss within 60 days after receipt of proof of loss. See "Standard Policy." The payment to an adjuster of any compensation in excess of a regular salary or stipend is prohibited. Classification of premiums and losses in the State must be filed yearly, on forms supplied by the Secretary of State. Annual reports of business by classes of risks are required, by law of 1914, to be filed by March 1.

**MUTUAL COMPANIES**—Sec. 16. "Every mutual company organized upon the mutual plan shall exhibit to the Secretary of State satisfactory evidence that it has entered into a bona fide agreement with a number of persons for insurance, the premiums on which insurance shall amount to not less than twenty-five thousand (\$25,000.00) dollars, of which not less than ten thousand (\$10,000.00) dollars shall have been paid in cash, and notes of solvent parties secured by ample collaterals shall have been received for the remainder. No company organized on the mutual plan shall transact any more than one kind of business."

**PRELIMINARY DOCUMENTS**—Each corporation shall file with the Secretary of State a copy of its sworn financial statement; a duly certified copy of charter; a copy of one newspaper wherein said charter shall have been published, together with affidavit from publisher; certified copy of any amendments to charter; copy of minutes of any and all meetings of stockholders or directors, signed and attested to by secretary, during which the amendments were made; any and all agreements for the consolidation of corporations, together with copies from the minutes of any meetings of stockholders or directors authorizing or pertaining to the consolidation, dissolution or liquidation, duly signed and acknowledged; agreement to abide by the laws of the State; appointment of an agent in the State, for the transaction of business, who will be responsible for the State license tax. Certificate of

compliance with laws of company's home State must be filed annually with annual statement; power of attorney to Secretary of State, and copy of charter, need be filed but once.

**PUBLICATION**—Sec. 1875, R. S., provides that every person acting as agent of an insurance company, and doing fire, marine or river insurance within the city of New Orleans shall, during the month of January of each year, cause a full statement, under oath, of the business of the agency, to be published if the secretary deems it to be for the public interest. Abstracts section; and for the neglect and refusal so to do, shall forfeit and pay into the city treasury the sum of \$1000 for each and every neglect or refusal. Whenever the parent or principal office of the agency shall publish an annual statement of its affairs, the time mentioned in the first part of this section for the publication of the affairs of the agency shall be so far changed as to correspond with the annual statement of the insurance company, and shall then be published, as aforesaid, within one month from the date of the publication. The report on an examination may be published in the manner and form and for the term as specified in the preceding must be published, for at least thirty days, in two newspapers, showing the business done in Louisiana. Companies doing business in New Orleans must publish their statements in two or more New Orleans daily newspapers. No charge is fixed by law for such publication, which must be attended to by the companies. Domestic companies must publish their statements in the same manner, and must so publish amounts of premiums and losses, capital and investments written one month from close of fiscal year and for a term of at least one month. Publications are to be made in the English language only.

**RECIPROCAL INSURANCE**—No special provision. See "Lloyds."

**RECIPROCAL LAW**—Act 105 of 1898, Art. II., Sec. 12. "When, by the laws of any other State, any taxes, fines, penalties, licenses, deposits or other obligations or prohibitions, additional to or in excess of those imposed by the laws of this State upon companies organized under the laws of other States, and their agents, or imposed on insurance companies of this State, and their agents, doing business in such State, the same taxes, fines, penalties, licenses, deposits and other obligations or prohibitions shall be imposed upon all insurance companies of such States, and their agents, doing business in this State, as long as such laws remain in force. Every company organized under the laws of any other State and admitted to transact business in this State, and each agent of every company, shall pay the same fees to the Secretary of State as such other State may require of any similar companies incorporated by or organized under the laws of this State, or upon the agents of any such companies transacting business in such other State."

**REINSURANCE**—Act 105 of 1898. Sec. 20 of Article III. "Every insurance company doing business in this State may reinsure the whole or any part of any policy obligation, in any other insurance company author-

ized to do business in this State. The Secretary of State shall require every year from every insurance company doing business in this State, a certificate, sworn to before a commissioner of deeds for the State of Louisiana, to the effect that no part of the business written by such company in this State has been reinsured in whole or in part by any company, corporation, association or society not authorized to do business in this State, except as hereinafter provided. This certificate shall also contain a list of all the reinsurances during the year in authorized companies, showing the name and amount effected in each company." Reinsurance policies need not be countersigned by resident agents.

**REINSURANCE RESERVE**—The reserve for reinsurance must be maintained on policies written for one year or less, at one-half of the net premium; policies written for two years, three-fourths of the premium reserved for the first year and one-fourth for the second year; three-year policies, first year five-sixths of the net premium, second year one-half the net premium, third year one-sixth the net premium; policies written for a term of four years, first year seven-eighths, second year five-eighths, third year three-eighths, fourth year one-eighth of the net premium; policies written for five years, first year nine-tenths, second year seven-tenths, third year one-half, fourth year three-tenths, fifth year one-tenth of the net premium.

**RESIDENT AGENTS**—Act 167, Laws of 1902. Sec. 1. "\* \* \* That any insurance company, corporation or association authorized to do business in this State, is hereby prohibited from authorizing or allowing any person, agent, firm or corporation, who is a non-resident of the State of Louisiana, to issue, or cause to be issued, any policy or policies, or contracts of insurance, or cover on any risk or property located in the State. \* \* \*" Sec. 2. "\* \* \* That any person, agent, firm or corporation authorized by the Secretary of State to act as an agent, solicitor or representative of any insurance company, corporation or association in the State of Louisiana, is hereby prohibited from paying directly or indirectly any commission, compensation, brokerage or other valuable consideration on account of any policy, policies or forms of contract covering on property located in the State of Louisiana \* \* \* to any person, agent, firm, solicitor or representative not duly authorized by a certificate from the Secretary of State to act as such agent, solicitor or representative for a company, corporation or association duly authorized to do business in the State of Louisiana." The Secretary of State may revoke the certificate of authority of any person, agent, firm or corporation or association who, upon examination, may be found guilty of violating the above act." Law of 1918, Act 153, Sec. 1. "\* \* \* That all contracts or policies of fire, steam boiler, casualty, automobile, workmen's compensation, health or burglary insurance, surety bonds, bonds guaranteeing the fidelity of persons holding offices of public or private trust, or bonds guaranteeing the performance of contracts or assuming in whole or in part the public liability of a common carrier, on risks or property located in the State of

Louisiana, or in connection with any business conducted or operated within the State of Louisiana, which policies, contracts or undertakings may be issued or entered into by companies, corporations or associations authorized to do business in Louisiana shall be issued or countersigned by a duly authorized representative who is a bona fide resident of the State, duly commissioned and licensed by the Secretary of State, and such duly authorized representative shall receive on each policy, contract, bond or undertaking the full usual commission allowed and paid by such companies, corporations or associations to their agents on business written or transacted for them; and requiring further that where policies, contracts or forms used in writing such insurance policies or contracts are placed by the companies with their local agents that the companies shall be prohibited from placing such policies, contracts or forms with any agency which is not actually domiciled in the State of Louisiana and which does not keep such policies, contracts or forms in the State of Louisiana until delivered to the assured or other recipient of the completed contract; and further requiring that the countersignature on all such contracts, policies or undertakings shall be in the handwriting of the resident agent or such other person as he may delegate this authority to, provided such person be also a bona fide resident of the State. Provided further that in the event that any local representative of any such companies is composed of a firm, partnership, company or corporation consisting in part of residents of the State of Louisiana and in part of non-residents of the State of Louisiana, then the non-residents of Louisiana shall be prohibited from countersigning such policies or contracts with the firm name of the representative licensed by the Secretary of State. Provided further that this section shall not apply to policies of reinsurance nor to policies covering on the rolling stock of railroad companies doing a general freight and passenger business." \* \* \* Penalty for each violation, revocation of license. Sec. II. Be it further enacted, etc., That it shall be the duty of the Secretary of State to require each company, corporation or association applying for authority or the renewal of authority to do business in the State to file with him prior to the first of March in each year an affidavit that it has strictly complied with the provisions of the act, and the Secretary of State shall decline to issue any certificate of authority to do business in this State to any company, corporation or association which shall fail to furnish said affidavit that it has complied with the provisions of this act. Affidavit that no Louisiana business has been written, except by resident agents, must be filed annually by March 1. Reinsurance company must have one resident agent to be responsible for State license. Act of July 8, 1908. Sec. 1. "That it shall be lawful for any duly authorized agent or solicitor of an insurance company, which has complied with the laws of this State, to divide his commissions or compensations from the premiums collected on policies, or other forms of contracts of insurance, covering on property

located in the State of Louisiana, with any agent or solicitor who has been duly authorized under the laws of other States to act as agent or solicitor in such other States; provided that nothing herein shall be construed so as to permit companies to write business except through the duly authorized resident agents of this State." Sec. 8 of Act 171 of 1898 provides that, "Whenever any company negotiating insurance effects a reinsurance of any part thereof, otherwise than through licensed resident agents, the entire tax thereon shall be paid by the original insuring company and the tax collector shall make no deduction on account of such reinsurance."

**RETURN OF PREMIUMS**—Sec. 15. "Upon the adjustment and settlement of a loss under a policy of fire insurance, the assured shall be entitled to recover, in addition to the sum of the loss agreed upon, the return of the premium paid under the said specific policy on the excess between the sum of the amount insured and the sum of the amount ascertained to be due, with legal interest from the date of the payment of the premiums."

**SEMI-ANNUAL STATEMENTS**—Not required.

**SPRINKLER INSURANCE**—Act 105 of 1898. Sec. 13 of Article I. "All insurance companies authorized to transact fire insurance business in this State may, in addition to the business which they are now authorized by law to do, insure sprinklers, pumps and other apparatus for extinguishing fires, against damage; loss or injury resulting from accidental causes, other than fire; and may also insure any property which such companies are authorized to insure against loss or damage by fire, against damage, loss or injury by water or otherwise, resulting from the accidental breaking of, or injury to, such sprinklers, pumps or other apparatus, arising from causes other than fire. Contracts of insurance of the kind provided for in this paragraph shall not be incorporated in any contract of insurance against loss or damage by fire, but shall be contained in separate and distinct policies."

**STANDARD POLICY**—Sec. 22. Be it further enacted, etc., No fire insurance company shall issue fire insurance policies on property in this State other than those which shall conform to the requirements of the New York Standard Form of Fire Insurance Policy of the form now in force in the State of Louisiana, provided, there shall hereafter be inserted in, or by stamp or rider affixed upon, the standard form of fire insurance policies used in this State, after the clause which contains the conditions for a breach of which, without the consent of the insurer endorsed thereon or added thereto, the policy becomes void, a proviso as follows: Provided, where it is stipulated in this policy, that, without the consent of the insurer endorsed hereon or added hereto, the breach of a condition shall void the policy, it shall be held such breach does not in fact void the policy, but only suspends the operation of the policy during the time the breach continues.

In 1919 the Secretary of State informs us that the policy required must be an exact copy of the New York Standard Form, with additions as required by Act 255 of 1914.

A department ruling requires the following clause to be stamped upon each policy: "This contract of insurance is subject to be governed in all its parts by the provisions, terms, condition and stipulation of Act 135 of 1900, of Louisiana." A copy of the act of 1908 relating to furnishing blanks for proof of loss, etc., must be furnished to the insured, and is considered as a part of the contract. If policy becomes void because of ten days' absence from insured premises a law of 1914 provides that it shall again become effective on return of the insured.

TAXES—Note—Following licenses were increased 20 per cent in 1920:

TAXES—Act 171 of 1898. Sec. 9. "That each and every fire, marine and river insurance, guarantee, surety and indemnity company, society, corporation, association, or other organization or firm, or individual, shall pay a separate and distinct license on said business for each company represented, and said license shall be based on the gross annual amount of premiums on all risks located in this State and upon risks located in other States or foreign countries, upon which no license has been paid therein, as follows, to wit: ~~First~~ class—when said premiums are \$300,000, the license shall be \$4500; 2d class—premiums \$280,000 or less than \$300,000, license \$4200; 3d class—premiums \$270,000 and less than \$280,000, license \$4050; 4th class—premiums \$260,000 and less than \$270,000, license \$3900; 5th class—premiums \$250,000 and less than \$260,000, license \$3750; 6th class—premiums \$240,000 and less than \$250,000, license \$3600; 7th class—premiums \$230,000 and less than \$240,000, license \$3450; 8th class—premiums \$220,000 and less than \$230,000, license \$3300; 9th class—premiums \$210,000 and less than \$220,000, license \$3150; 10th class—premiums \$200,000 and less than \$210,000, license \$3000; 11th class—premiums \$190,000 and less than \$200,000, license \$2850; 12th class—premiums \$180,000 and less than \$190,000, license \$2700; 13th class—premiums \$170,000 and less than \$180,000, license \$2550; 14th class—premiums \$160,000 and less than \$170,000, license \$2400; 15th class—premiums \$150,000 and less than \$160,000, license \$2250; 16th class—premiums \$140,000 and less than \$150,000, license \$2100; 17th class—premiums \$130,000 and less than \$140,000, license \$1950; 18th class—premiums \$120,000 and less than \$130,000, license \$1800; 19th class—premiums \$110,000 and less than \$120,000, license \$1650; 20th class—premiums \$100,000 and less than \$110,000, license \$1500; 21st class—premiums \$90,000 and less than \$100,000, license \$1350; 22d class—premiums \$80,000 and less than \$90,000, license \$1200; 23d class—premiums \$70,000 and less than \$80,000, license \$1050; 24th class—premiums \$60,000 and less than \$70,000, license \$900; 25th class—premiums \$50,000 and less than \$60,000, license \$750; 26th class—premiums \$40,000 and less than \$50,000, license \$600; 27th class—~~premiums \$30,000 and less than \$40,000, license \$450; 28th class—pre~~

X ~~miiums \$20,000 and less than \$30,000, license \$300; 29th class—premiums \$15,000 and less than \$20,000, license \$225; 30th class—premiums \$15,000 or less, license \$150.~~ Return premiums and reinsurances in authorized companies may be deducted. For companies entering the State between January and July the license is computed upon the business done during the first two months, multiplied by six. Companies entering after July pay half-yearly license. Every municipal corporation in the State, where an agent is domiciled, has the right to demand the same amount of license as the State, but the city of New Orleans is the only municipal corporation that demands it. Sec. 30. "The State tax collectors authorized to collect licenses from insurance companies, corporations, associations or societies, in this State, shall require from each insurance company, corporation, association or society applying for license, a certificate from the Secretary of State, showing that such company, corporation, association or society has, in all respects, complied with the laws of the State, and is legally authorized to be licensed to do business in this State." The license tax is payable before March 1, annually, to the State tax collector in the county in which the company's agent has his domicile. Under act 170, of 1898, all insurance companies are assessed directly upon all property owned by them in this State, except where six months' prior and continuous ownership can be shown in any holdings of national, State or municipal bonds, or stocks in any corporation whatever; in such case, such holdings are deducted from their assets or assessable property. The State tax on such property is six mills on the dollar. A tax not exceeding one-half of one per cent on gross premiums less return premiums and reinsurances in authorized companies is imposed to defray fire marshal's and State Insurance Rating Board's expenses. This is also payable to the State tax collector, with annual license fees.

**TAX STATEMENTS**—Must be filed on or before February 28.

**VALUED POLICY**—Act 135 of 1900, Sec. 2. "That whenever any policy of insurance against loss by fire, is hereafter written or renewed on property situated in this State, and the said property shall be totally destroyed without criminal fault upon the part of the insured or his assigns, the full amount of the insurance on the property so destroyed shall be paid by the insurer, and that when the said property shall be partially damaged, without criminal fault on the part of the insured or his assigns, the insurer shall pay to the insured such amount as will permit the insured to restore the damaged property to its original condition, provided that nothing herein shall be so construed as to prevent the insurer from replacing property partially damaged or totally destroyed at his own expense and without contribution on the part of the insured." Valued Policy law relates to immovable property only (including sugar-house machinery).

#### COUNTY TAXES AND FEES.

**JEFF DAVIS**—For each company, \$5, payable March 1.

- LINCOLN PARISH**—For each company, \$10.  
**RAPIDES PARISH**—For each company, \$5.  
**TANGIPAHOA PARISH**—For each company, \$5, payable April 1.  
**ST. MARY PARISH**—For each agent, \$5, payable in January.

### MUNICIPAL TAXES AND FEES.

- ABBEVILLE**—For each company, on premiums of \$15,000 or more, \$30; for less than \$15,000, \$15, payable January 1.  
**ALEXANDRIA**—For each company, graded according to premiums, ranging from \$40 for \$2000 or less up to \$200 for \$15,000 or more of premiums; payable March 1.  
**AMITE**—For each agent, \$5, payable April 1.  
**BATON ROUGE**—For each company, on receipts, less than \$2500, \$10; \$2500-\$5000, \$15; \$5000 or more, \$25, payable March 1.  
**BOGALUSA**—For each company, \$10, payable January 1.  
**CLINTON**—For each company, \$5, payable January 1.  
**COVINGTON**—For each company, \$5 per annum.  
**CROWLEY**—For each company, \$5, payable January 1.  
**DE RIDD**—For each company, \$5, payable January 1.  
**DONALDSONVILLE**—For each company on premiums of \$20,000 or more, \$75; \$10,000 to \$20,000, \$30; less than \$10,000, \$15; agent for each company on premiums of \$15,000 or more, \$30; less than \$15,000, \$15.  
**EUNICE**—For each agent, \$4, payable in January.  
**FRANKLIN**—For each company, on premiums below \$1000, \$5; \$1000 to \$2500, \$10; \$2500 to \$5000, \$15; \$5000 or more, \$20.  
**HOUMA**—For each company, \$10, payable January 1.  
**JEANERETTE**—For each company, \$10 annually, payable January 1.  
**JENNINGS**—For each company, \$25 on premiums up to \$2500, payable January 1.  
**LAFAYETTE**—For each company, \$25, payable January 1.  
**LAKE CHARLES**—For each company, on premiums of \$2500 or less, \$25; \$2500 to \$5000, \$50; \$5000 to \$7500, \$75; \$7500 to \$10,000, \$100; \$10,000 to \$12,500, \$125; \$12,500 to \$15,000, \$150; \$15,000 to \$17,500, \$175; \$17,500 to \$20,000, \$200; \$20,000 to \$22,500, \$225; \$22,500 to \$25,000, \$250; \$25,000 or more, \$275; delinquent, January 1 to February 28.  
**LAKE PROVIDENCE**—For each company, \$5, payable January 1.  
**LE COMPTE**—For each company on premiums of \$15,000 or more, \$50; \$10,000 to \$15,000, \$25; \$5000 to \$10,000, \$15; \$500 or less, \$10; payable March 1.  
**LEESVILLE PARISH**—For each company, \$10 for premiums of \$15,000 or less; \$20 for \$15,000 to \$20,000; \$30 for \$20,000 to \$30,000; \$40 for \$30,000 to \$40,000; \$50 for \$40,000 to \$50,000.  
**MANSFIELD**—For each company, \$10, payable by March 1.  
**MONROE**—For each company, on gross premium receipts, as follows: Pre-



miums less than \$2000, \$20; \$2000 to \$3000, \$30; \$3000 to \$4000, \$40; \$4000 to \$5000, \$50; \$5000 to \$6000, \$60; \$6000 to \$7000, \$70; \$7000 to \$8000, \$80; \$8000 to \$9000, \$90; \$9000 to \$10,000, \$100; \$10,000 to \$11,000, \$110; \$11,000 to \$12,000, \$120; \$12,000 to \$13,000, \$130; \$13,000 to \$14,000 \$140; over \$14,000, \$150; no license issued for less than \$20; payable on or before March 1.

**MORGAN CITY**—For each company, \$4.90, payable February 28.

**NAPOLEONVILLE**—For each company, \$5, payable January 1.

**NATCHICOCHEs**—For each company, \$10, payable in February.

**NEW IBERIA**—For each company, on premiums of \$5000 to \$15,000, \$75; \$1000 to \$5000, \$35; less than \$1000, \$20; based on "gross amount of premiums on all risks located within this city and upon risks located in other parishes and cities of this State upon which no license has been paid therein." No license issued for less than \$15.

**NEW ORLEANS**—Same as State license tax. (See "Taxes.") Fire Patrol, 2 per cent on net premiums within city limits, except in Algiers and West End. Also a personal tax on property.

**OAKDALE**—For each company, \$5, payable January 1.

**OPELOUSAS**—For each company, \$5, payable annually, January 1.

**PATTERSON**—For each company, minimum for premiums of \$1000 or less, \$5, payable January 1.

**PROVIDENCE**—For each company, \$4.95, payable March 1.

**RAYNE**—For each company, \$5, payable annually, January 1.

**RUSTON**—For each company, \$10 for gross premiums of \$1000 or less; \$15 for \$1000 to \$2000; \$20 for \$2000 to \$3000; \$40 for \$3000 to \$5000; \$50 for over \$5000, payable January 1.

**ST. FRANCISVILLE**—For each company, \$5, payable January 1.

**SHREVEPORT**—For each company, when annual premiums are under \$4,000, \$90; \$4,000 or more, under \$5,000, \$115; \$5,000 or more, under \$6,000 \$140; \$6,000 or more, under \$15,000, \$150; \$15,000 or more, \$225.

**SLIDELL**—For each company, \$5, payable March 1.

**VIDALIA**—For each company, \$2.50.

**WELSH**—For each company, \$5 payable annually, January 1.

**WHITECASTLE**—For each company, \$5, payable January 1.

**WINNFIELD**—For each company, \$5, payable January 10. (Clerk advises this law is "not in effect.")

### CALENDAR—LOUISIANA.

On or before

- |      |    |   |
|------|----|---|
| Jan. | 31 | Agents must publish business transacted.<br>Companies must begin the publication of annual statement of Louisiana business. |
| Feb. | 28 | Annual statement must be filed.<br>Certificate of compliance must be filed.<br>Tax statement must be filed.                 |

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		Fire department tax is payable.
		Fire marshal tax is payable.
		Report of business by classes of risks must be filed.
		License or premium tax is payable.
March	1	File company's bond for \$20,000.
March	31	Agents' licenses must be secured.
		Company certificate must be obtained.
Dec.	1	Affidavit of compliance with anti-compact law required.

*Fire Patrol payable on  
direct business —  
see 4/24 letter 5/12/19*

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# MAINE.

## STATE REQUIREMENTS.

**AGENTS DEFINED**—Chap. 53, Sec. 31. "An agent authorized by an insurance company, whose name is borne on the policy, is its agent in all matters of insurance." Agent's knowledge of facts concerning a risk is binding on the company.

**AGENTS' LICENSES**—Agents must procure licenses, which expire on July 1, annually, from the Commissioner. Applications for licenses must be made by company officers, or by some person authorized to appoint and remove agents in Maine, by power of attorney filed with Insurance Department. Licenses issued to firms and corporations to act as agent of duly authorized insurance companies. Penalty for soliciting without a license, fine not exceeding \$200 or imprisonment not exceeding 60 days.

**ANNUAL STATEMENTS**—Must be filed on or before January 31. Time may be extended until March 1 by application to Insurance Commissioner. Advance statement of Maine business to be filed by companies by January 31. These and tax statements are only ones required annually.

**ANTI-COINSURANCE**—No provision.

**ANTI-COMPACT**—No provision.

**ANTI-DISCRIMINATION**—Rebating is prohibited.

**ATTORNEY**—Insurance Commissioner must be appointed to accept service of process. Service on any agent is also binding.

**CANCELLATION OF POLICY**—Extract from Standard Policy: "This policy may be canceled at any time at the request of the insured, who shall thereupon be entitled to a return of the portion of the above premium remaining, after deducting the customary monthly short rates for the time this policy shall have been in force. The company also reserves the right, after giving written notice to the insured, and to any mortgagee to whom this policy is made payable, and tendering to the insured a ratable proportion of the premium, to cancel this policy as to all risks subsequent to the expiration of ten days from such notice, and no mortgagee shall then have the right to recover as to such risks." Chap. 53, Sec. 7 provides that following shall be printed on the margin of the policy, near the part relating to cancellation, in type not smaller than long primer, or attached as a rider: "If the premium on this policy has not been paid to the company or its agent, or to the duly licensed insurance broker through whom the contract of insurance was negotiated, this policy may be canceled by the company in the manner herein provided without tendering to the assured any part of the premium."

**CAPITAL REQUIRED**—Chap. 53, Sec. 104. "No foreign fire or marine insurance company shall be admitted to do business in the State unless it has a bona fide, paid-up, unimpaired capital, if a stock company, of at least \$200,000, well invested in or secured by real estate, bonds, stocks or se-

curities other than names alone, or if a mutual company, net cash assets to the amount aforesaid," or if a mutual company doing fire insurance only, that it possesses net cash assets of not less than \$50,000, and contingent assets of not less than \$300,000, or net cash assets of not less than \$75,000, with contingent assets of not less than \$150,000, or net cash assets equal to its total liabilities, and contingent assets of not less than \$100,000, provided that such capital and assets (other than contingent) are well invested and immediately available for the payment of losses in this State, that it insures on any single hazard an amount no larger than one-tenth of its net assets, and that it has transacted business in its home State at least five years prior to date of applying for admission." Domestic stock companies must have capital of \$100,000.

**COMMISSIONS TO NON-RESIDENTS**—Non-residents may be licensed as agents or brokers to do business only with companies incorporated under the laws of Maine.

**DEPOSIT**—Companies of other countries must have \$200,000 on deposit with the authorities of one of the United States, and "may be in securities under the same restrictions as the investments of companies of other States." See "Capital Required."

**DOMESTIC COMPANIES**—Chap. 53, Sec. 55. "Any ten or more persons, residents of the State, associated by such an agreement in writing as is hereinafter described, with the intention of constituting a corporation for the transaction of insurance business shall, upon complying with Sec. 63, become and remain a corporation with all the powers, rights and privileges, and be subject to all the duties, liabilities and restrictions set forth in all the general laws relating to insurance corporations." Stock or mutual companies may be organized to insure against loss or damage to property and loss of use and occupancy by fire; explosion (fire ensuing or fire not ensuing,) except steam boiler and fly-wheel; water, or leakage of fire extinguishing apparatus; lightning or tempest and tornado on land; to insure vessels, freights, goods, money, effects and money lent on bottomry or respondentia, against the perils of the sea and other perils usually insured against by marine insurance companies, including risks of inland navigation and transportation; motor vehicles. Sec. 63. "The president, secretary and a majority of the directors shall forthwith make, sign and swear to a certificate setting forth a copy of the articles of association, with the names of the subscribers thereto, the date of the first meeting, and of any adjournment thereof, and shall submit such certificate and the records of the corporation to the inspection of the Insurance Commissioner, who shall examine the same, and may require such other evidence as he may deem necessary." Sec. 56. "Such agreement shall set forth the fact that the subscribers thereto associate themselves with the intention to constitute a corporation, the name by which it shall be known, the class or classes of insurance for the transaction of which it is to be constituted, the plan or

principle upon which its business is to be conducted, the town or city in which it is established or located, and if a stock company, the amount of its capital stock, and if a mutual company with a guarantee capital, the amount thereof. The capital stock of a stock company organized for any of the purposes hereinbefore mentioned shall not be less than \$100,000."

**EXAMINATIONS**—Chap. 53, Sec. 84. "He (the Commissioner) shall annually examine, or cause to be examined, every domestic stock insurance and mutual life insurance company, and biennially every domestic mutual fire insurance company, in order to ascertain its ability to meet its engagements and do a safe insurance business; and shall make such other examinations as he regards necessary for the safety of the public or the holders of policies. He may require the officers to produce for examination all books and papers of the company, and to answer, on oath, all questions propounded to them in relation to its condition and affairs; and any officer who refuses to produce any such book or papers upon his demand, or to be sworn, or to answer any such questions, forfeits not exceeding \$200." Sec. 111. "The Insurance Commissioner, whenever he deems it necessary for the protection of policyholders, shall visit and examine any insurance company, doing business by agencies in this State, but not incorporated therein. He may employ necessary assistants; all requisite expenses for such examination without the State shall be borne by the company so examined; provided, that in relation to the affairs of any company incorporated by or organized under the laws of any of the United States, it shall be optional with said Commissioner to accept the certificate of the Insurance Commissioner or Superintendent of the State where said company was organized, as to its standing and condition, or to proceed to investigate its affairs as hereinbefore provided." On any refusal on the part of a company, its officers or agents, to allow the examination of or free access to all the books and papers, its authority to do business in the State may be revoked.

**FEES**—License or admission fee to company and renewal of same July 1 of each year, \$20; license to each agent or renewal of same, \$2 (no charge for license for agent of domestic mutual fire company); firms, \$2 for each member; license to broker or renewal, \$10; license to special broker to place risk in unauthorized fire insurance companies, \$20; examination of insurance companies, actual expenses incurred; for receiving service of process, \$2; adjuster's license, \$2; the foregoing fees are payable to the Insurance Commissioner. Filing certificate of organization with Secretary of State, \$20. See "Reciprocal Law."

**FIRE DEPARTMENT TAX**—Governed by reciprocal law.

**FIRE MARSHAL**—Chap. 30, Secs. 50-54, provide for the investigation of the causes of all fires by municipal authorities and the Insurance Commissioner.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—None required.

**GENERAL PENALTIES**—For neglecting or refusing to comply with the

laws, or violating provisions of Secs. 105 and 121, a foreign company's license is liable to revocation.

**IMPAIRMENT**—Chap. 53, Sec. 88. "Whenever, after setting aside an amount equal to fifty per cent of the premiums in force or the actual unearned portions of such premiums for fire risks; and for marine risks, fifty per cent of the amount of premiums written in its policies upon yearly risks and upon risks covering more than one passage not terminated, and the full amount of premiums written in policies upon all other marine risks not terminated; the net assets of any insurance company with a specific capital, do not amount to more than three-fourths of its capital stock, the company shall by assessing the stock, restore its capital to the legal amount." The estates of the president or any of the directors of domestic stock companies permitting the issuance of policies after the company's losses are known to equal or exceed its capital shall be liable for any losses under such policies.

**INVESTMENTS PRESCRIBED**—Companies incorporated in the State of Maine may invest a part or all of their funds in the same securities and investments as savings banks are permitted to invest their deposits in. (See Banking Laws, Chap. 52, Sec. 27.)

**LICENSED BROKERS**—Chap. 53, Sec. 122. "The Insurance Commissioner may license any person as broker to negotiate contracts of insurance for others than himself for a compensation, by virtue of which license he may effect insurance with any domestic company or its agents; or any resident of the State to negotiate such contracts and effect insurance with the agents of any foreign company who have been licensed to do business in this State, as provided in Secs. 105 and 121, but with no others; said license shall remain in force one year, unless revoked, as hereinafter provided." Penalty for acting as broker without a license, a fine of not exceeding \$200, or imprisonment for not more than sixty days for each offense. Fee, \$10. Sec. 125. "The Insurance Commissioner may annually issue licenses to citizens of this State, already agents of one or more duly authorized fire insurance companies, subject to revocation at any time, permitting the person named therein to procure policies of fire insurance on property in this State in foreign insurance companies not authorized to transact business in this State." The person licensed shall in each instance obtain permission from the Commissioner to deal with unauthorized companies. In placing the risk he shall notify the Commissioner within five days, the name of the owner, location of property and the name of the company issuing the policy. On investigation, should the Commissioner be dissatisfied with the financial condition of company named by the special broker he may order the policy canceled and authorize said broker to place same in another company. Fee, \$20. Penalty for acting without a license, or for omitting to file required statements or affidavits, or for filing false documents, revocation of license; also a fine of not over \$100, or imprisonment for not more than sixty days. Detailed

statement required in January, with payment into the State treasury of a tax of two per cent on gross, less return premiums. See "Taxes."

**LIMIT ON A SINGLE RISK**—No one risk assumed by a domestic company shall exceed ten per cent of its capital stock actually paid in.

**LLOYDS**—Chap. 53, Sec. 1. "\* \* \* Associations of individuals now formed or which may hereafter be formed, upon the plan known as Lloyds, for the purpose of transacting marine insurance business, may exercise all rights, powers and privileges granted under the laws of this State." See Reciprocal Insurance.

**MISCELLANEOUS**—Bank Commissioner has supervision over sales of stock of insurance companies. Adjustment of a loss must be begun within 20 days after receipt of notice, but no loss exceeding \$100 shall be paid earlier than 45 days after date proof of loss is executed, without written permission of Insurance Commissioner. Adjusters must be licensed

**MUTUAL COMPANIES**—Chap. 53, Sec. 57. "Any mutual insurance company may be organized under the provisions of Secs. 55 to 66, inclusive, with a guarantee capital of not less than \$100,000, divided into shares of \$100 each; and no policy shall be issued by such corporation until one-fourth, at least, of its guarantee capital has been paid in, in cash, and invested as provided in Sec. 20." Sec. 58. "No policy shall be issued by a purely mutual company until applications have been made in good faith, for insurance to the amount of \$50,000, and no policy shall be issued by a stock company until its capital stock has been paid in, in cash, and invested as provided in Sec. 20." Provision is made in Sec. 104 for licensing outside mutuals having \$50,000 or more of cash assets, under certain conditions.

**PRELIMINARY DOCUMENTS**—Companies must file a certified copy of charter and by-laws, and financial statement in form prescribed by Commissioner; a certificate of appointment of Insurance Commissioner as attorney; companies other than American must file a certified copy of vote of appointment of trustees, and deed of trust, and schedule of assets held by United States trustees; also certificates of deposit. Annual certificate of compliance with laws of company's home State is not required, except under retaliatory law.

**PUBLICATION**—Chap. 53, Sec. 117. "Every foreign insurance company, life excepted, doing business in this State, shall annually before the first day of May, publish three weeks successively, in some daily or weekly paper printed in every county where it has a duly authorized agent, or issues policies, a condensed statement of its condition conformable to its last annual report to the Commissioner, and any such insurance company which neglects or refuses to publish such statement forfeits not less than \$50." Publication by domestic mutual company must be made for three successive weeks in a daily or weekly paper in the county in which the company is located. No prescribed newspapers and no fixed charge.

**RECIPROCAL INSURANCE**—Chap. 53, Sec. 95, provides for the licensing

of inter-insurance exchanges and regulates the transactions of business by such associations. See "Lloyds."

**RECIPROCAL LAW**—Chap. 53, Sec. 54. "Any insurance company incorporated by a State or country whose laws impose upon insurance companies chartered by this State any greater tax than is herein provided shall pay the same tax upon business done by it in this State, in place of the tax above provided." Chap. 53, Sec. 109. "When, by the laws of any other State or country, any fines, penalties, licenses, fees, deposits or other obligations or prohibitions additional to or in excess of those imposed by the laws of this State upon foreign insurance companies and their agents are imposed on insurance companies of this State and their agents, the same fines, licenses, fees, deposits, obligations or prohibitions shall be imposed upon all insurance companies of such State or country, and their agents, doing business in or applying for admission to this State."

**REINSURANCE**—There is no prohibition of reinsurance in unauthorized companies, but reinsurance in licensed companies must be placed through licensed resident agents, and no credit is allowed for reinsurances in unauthorized companies. (See "Taxes.")

**REINSURANCE**—There is no prohibition of reinsurance in unauthorized the premiums in force or the actual unearned portions of such premiums for fire risks; and for marine risks fifty per cent of the amount of premiums written in its policies upon yearly risks and upon risks covering more than one passage not terminated, and the full amount of premiums written in policies upon all other marine risks not terminated.

**RESIDENT AGENTS**—Chap. 53, Sec. 105. "\* \* \* Upon receiving the papers herein enumerated the Commissioner may, if he deems advisable, grant a license authorizing the company to do insurance business in this State by constituted agents resident therein, subject to its laws until the first day of next July \* \* \*." This applies also to marine insurance.

**SEMI-ANNUAL STATEMENTS**—None required.

**STANDARD POLICY**—Maine has its own standard policy. Any violation of standard policy provision, a fine for each offense of not less than \$50, nor more than \$200; but such policy shall nevertheless be binding upon the company issuing the same.

**TAXES**—Chap. 53, Sec. 49. "Every insurance company or association which does business or collects premiums or assessments in the State, except those mentioned in Sec. 47, including surety companies and companies engaged in the business of credit insurance or title insurance, shall, as hereinafter provided, annually pay a tax upon all premiums received, whether in cash or in notes absolutely payable, on contracts made in the State for insurance of life, property or interest therein, at the rate of one and one-half per cent a year, provided, however, that no tax shall be required on account of any premium paid or assessment levied on policies of insurance issued on farm property." Chap. 53, Sec. 56. "Said tax shall be assessed by the Board of State Assessors, upon the certificate of the Insurance Com-



missioner, to be seasonably furnished therefor, and certified to the Treasurer of State on or before the first day of April, and the same shall be paid on or before the first day of May following. The Treasurer shall notify the several companies of the assessment, and, unless the same is paid as aforesaid, the Commissioner shall suspend the right of the company to do any further business in the State until the tax is paid." No credit allowed for reinsurances in unauthorized companies, but return premiums and reinsurances in licensed companies may be deducted. Premiums for reinsurances in unauthorized companies cannot be deducted. Penalty for failure to pay tax, revocation of license.

Mutual fire companies of other States insuring only factories or mills, in lieu of all other taxes, shall annually pay a tax of 2 per cent on gross premiums in force after deducting the unabsorbed portion of such premiums computed at the rate of return actually made on annual policies expiring during the year.

All insurance transactions with unauthorized companies must be reported by December 11, and a tax thereon at the rate of  $2\frac{1}{2}$  per cent upon gross premiums paid by December 31. Penalty, not less than \$100 nor more than \$500 for each offense. This does not apply to insurance in unauthorized companies, written by special insurance brokers, under Chap. 53, Sec. 125, Revised Statutes.

**TAX STATEMENTS**—Must be filed on or before January 31. Penalty for non-compliance, \$5 per day.

**VALUED POLICY**—No requirement.

#### **COUNTY TAXES AND FEES.**

None.

#### **MUNICIPAL TAXES AND FEES.**

None.

#### **CALENDAR—MAINE.**

On or before

Jan.	1	Annual statement must be filed (time may be extended to March 1). Tax statement must be filed.
Jan.	31	Annual advance statement of Maine business.
April	1	Publication of statement required in three successive weeks before May 1.
May	1	Premium tax is payable.
July	1	Agents' licenses must be procured. Company license must be secured.
		Fire marshal tax is payable.

# MARYLAND.

## STATE REQUIREMENTS.

**AGENTS DEFINED**—No definition.

**AGENTS' LICENSES**—Sec. 183A. "No person, firm or corporation shall act as agent or solicitor in this State for any insurance company \* \* \* until all the provisions of this article relating thereto have been complied with, and there has been granted by the Insurance Commissioner a certificate of authority or license to said company." Sec. 183C. "Every company doing a fire, marine or inland insurance business in this State, except such as may be incorporated under the laws of this State, and every fire, marine, inland, \* \* \* company incorporated under the laws of any foreign country, shall pay an annual license fee of \$100." Sec. 183D. "Every company incorporated under the laws of this State doing a life, fire or marine insurance business shall pay an annual license fee of one dollar." Sec. 184B requires that each applicant for license and company to be represented must file application, and agent must state that he has not wilfully violated the law or dealt unjustly with any citizen. Licenses expire December 31. Applications for licenses must be made by company officers, under seal. See "Licensed Brokers." Licenses are only issued in the names of individuals.

**ANNUAL STATEMENTS**—Must be filed with State Insurance Department within sixty days from January 1. This is only annual report required. Penalty for failure to file statement, \$100 for each day's neglect; for making false statement, fine of \$100 to \$1000.

**ANTI-COINSURANCE**—No prohibition of coinsurance clauses.

**ANTI-COMPACT**—No law forbidding co-operation.

**ANTI-DISCRIMINATION**—Sec. 163, as amended in 1912. "No fire \* \* \* insurance company, association, co-partnership, Lloyds or individual underwriters, authorized to do insurance business in this State, or any officer, agent, solicitor or representative thereof, shall make any contract for insurance on property or risk located within this State against \* \* \* hazard of any kind that may arise or occur therein or agreement as to such contract, other than as plainly expressed in the policy issued or to be issued thereon; nor shall any such company, association, partnership, Lloyds or individual underwriters, or any officer, agent, solicitor, representative thereof, directly or indirectly, in any manner whatsoever, pay or allow or offer to pay or allow as inducement of such insurance, or after the insurance shall have been effected, any rebate from the premium which is specified in the policy, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any valuable consideration or inducement whatever, not specified in the policy or contract of insurance, nor shall any insurance broker, his agent, or representative, or any other person, directly or in-

directly, either by sharing commissions or in any manner whatsoever pay or allow to pay or offer to pay or allow as inducement to such insurance, or after the insurance shall have been effected, any rebate from the premium which is specified in the policy; nor shall the insured, his agent or representative, directly or indirectly, accept or knowingly receive from any company, association, partnership, Lloyds or individual underwriters, or from any insurance or other person, any such rebate of premium payable on the policy, or any special favor or advantage in the dividends or other benefits to accrue thereon; this section shall not prevent any corporation, person, partnership or association lawfully doing such insurance business in this State from the distribution of surplus and dividends to policyholders after the first year of insurance, nor prevent any member of an inter-insurance or Lloyds association from receiving the profit on his or its underwriting; nor shall this section prevent any licensed insurance broker from sharing or dividing a commission earned or received by him with any other licensed insurance broker or brokers who shall have aided him in respect of the insurance for the negotiation of which such commission shall have earned or paid." Sec. 164. "Any person or corporation violating any of the provisions of the Sections 162 and 163 of this article shall be guilty of a misdemeanor and upon conviction thereof the offender or offenders shall be sentenced to pay a fine of not less than \$200 nor more than \$500 for each and every violation of either of said sections. Any agent or solicitor of any insurance company or any insurance broker shall upon being convicted of a second offense under said sections be disqualified from acting as an insurance agent, solicitor or broker for the period of one year thereafter, and it shall be the duty of the Insurance Commissioner, upon being satisfied that any insurance company, or any agent thereof, has violated any of the provisions of said Sections 162 and 163, to report the same to the State's attorney for the county and city in which such offense may have been committed. No person shall be excused from testifying, or from producing any books, contracts, agreements or documents at the trial of any person charged with violating any provision of either of said sections on the ground that such testimony or evidence may tend to incriminate himself, but no person shall be prosecuted for any act concerning which he shall be compelled to so testify or produce evidence, documentary or otherwise, except for perjury committed in so testifying."

**ATTORNEY**—A resident of the State other than the Insurance Commissioner must be appointed to accept service of legal process. In case of the death or absence of the attorney so appointed, process may be served on the Commissioner. An other-State company must appoint the Commissioner.

**BROKER**—See "Licensed Brokers."

**CANCELLATION OF POLICY**—No provision for notice to insured.

**CAPITAL REQUIRED**—Sec. 203. "The capital stock of no insurance company, mutual insurance companies excepted, incorporated by this State, or incorporated by the laws of any other State or nation, and doing business

in this State, whether life, fire, marine or inland insurance, shall be less than \$100,000." Laws 1920, Sec. 182. "It shall not be lawful for any insurance company, association, partnership or corporation organized under the laws of any other State of the United States, or by the Government of the United States, or any foreign government, directly or indirectly, to take risks, or transact any business of insurance in this State, unless it be fully organized and possessed of the amount of actual capital required of similar companies formed under the laws of this State." The construction of Section 152 is that at least one-fifth of a stock company's capital and not less than \$100,000 shall be paid in.

**COMMISSIONS TO NON-RESIDENTS**—Sec. 185: "No corporation or association, whether organized under the laws of the State of Maryland or otherwise, and no co-partnership or individual, and no agent or employee of any company, individual, association or firm, whether such person be a licensed broker or otherwise, shall directly or indirectly pay, except to the lawful agent or solicitor of such company, and to him solely upon the premiums on policies issued by the company for which he may be licensed agent or solicitor, or to an insurance broker licensed by the State of Maryland, any commission, reward or rebate in consideration of procuring, or influencing others to procure insurance from such company, association, individual or firm, nor collect or agree to collect from any person whether or not the same may be the owner of the property insured, or his agent or other person, any amount less than that expressed in the policy or policies as being the premiums therefor; and any person violating any of the provisions of this section shall be subject to the fines imposed by Sec. 205 of this Article." Sec. 186. "\* \* \* Every corporation, association, co-partnership and individual, resident or non-resident, engaged in business in this State shall pay to its legally licensed agent or agents, in the State of Maryland, for signing or countersigning any policy, certificate or other evidence of liability assumed by said corporation, association or individual, the same rate and amount of commissions as if such policy, certificate or other evidence of liability had been issued through said agent or agents residing in the State of Maryland; and no agent or agents shall sign or countersign any policy, certificate or other evidence of liability, upon any property situated in this State, for an amount less than the commissions allowed on any policy, certificate or other evidence of liability issued through an agent or agents residing in this State. The premiums on all policies so signed or countersigned shall be included in the report of gross premiums required to be made to the Insurance Commissioner by all companies not organized under the laws of this State.  
\* \* \*

**DEPOSIT**—No special deposit required, unless as required under "Reciprocal Law."

**DOMESTIC COMPANIES**—Sec. 180. "No declaration of organization or charter of an insurance company formed under this article, and no altera-

tion or amendment thereof, shall be operative until it has been submitted to the Attorney-General for examination, and found by him to be in accordance with the provisions of this article, and not inconsistent with the constitution and laws of this State, and so certified by him and delivered to the Insurance Commissioner; and before any such company shall begin to do any business, the Insurance Commissioner shall examine the officers of said company under oath, to ascertain whether the capital required of the company named in the charter, according to the nature of the business proposed to be transacted by such company, to an amount of not less than \$100,000, has been paid in money, and is held by the board of directors subject to their actual control, according to the provisions of the charter of said company, or has been invested in securities negotiable, and worth in the market not less than the sum of \$100,000; or if a mutual company, that it has received and is in actual possession of the promises or bona fide engagements of insurance or other securities, as the case may be, to the full extent and of the value required by law, and the name and residence of the maker of each premium note forming part of the capital or assets; and the amount of such note shall be reported to the Insurance Commissioner, and the officers or corporators of such company shall be required to certify under oath that the capital exhibited to the Insurance Commissioner is bona fide property of the company, which certificate shall be filed in the office of the Insurance Commissioner." Any officer making a false statement in connection with the foregoing requirements shall be deemed guilty and be punished for same. Law of 1908. "Corporations may be formed under the provisions of this article for any one or more lawful purposes, except such as are excluded from the operation of a general law by the Constitution of this State. And except where special provisions inconsistent herewith are made in this article for particular classes, all corporations shall be formed in manner following: The incorporators, being any three or more adult persons, of whom at least one shall be a citizen of this State, shall sign and acknowledge before some officer competent to take the acknowledgment of deeds for land situated in the State, a certificate in which shall be stated: (a) That the subscribers thereto (giving their names and places of residence) associate themselves with the intention of forming a corporation. (b) The name of the proposed corporation, which shall always be such as to indicate that it is a corporation as distinguished from a natural person or a partnership. This provision shall be deemed to be complied with if the name of the corporation begins with the word "the" and ends with the word "company" or "corporation," or if the title shall contain the word "incorporated." (c) The purpose or purposes for which the corporation is formed and the business or objects to be carried on and promoted by it. (d) The place in this State where the principal office of the corporation will be located. (e) The total amount of capital stock, if any, of the proposed corporation and the number and par value of the shares; and the restric-

tions, if any, imposed upon the transfer of the shares. And if the capital stock is to be classified under the power hereinafter granted, the certificate shall state how much of said stock is to be preferred and the preferences, voting powers, restrictions and qualifications of the preferred stock. (f) The number of trustees, directors or managers, which shall not be less than three; and the names of those who shall act as such for the first year or until their successors are duly chosen and qualified. (g) Any provisions which may be desired, for the purpose of defining, limiting and regulating the powers of the corporation, and of the directors and stockholders or any class of the stockholders; provided, such provisions are not contrary to the law of this State or inconsistent with any of the terms and limitations of this Article. Sec. 146. "Corporations formed under the provisions of this article for insurance purposes may be formed either as mutual or stock companies, or as mutual and stock companies combined, as shall be determined and declared in the certificate of incorporation of said company."

**EXAMINATIONS**—Sec. 178, sub-sec. 6, provides that "once at least during his term of office, and oftener if he should deem it expedient to do so, the Insurance Commissioner shall appoint some competent person or persons who shall visit the principal office of every insurance company organized under the laws of this State, for the purpose of examining its affairs, and the person or persons so appointed shall have free access to the books and papers of every company thus visited, and shall thoroughly inspect and examine its affairs to such an extent and make such inquiries as may be necessary to ascertain its condition and ability to fulfil its engagements, and whether it has complied with all the provisions of law applicable to its transactions. And whenever the Insurance Commissioner may have reason to doubt the solvency, or the correctness of the statement of any company not organized under the laws of this State, which may have been licensed to do business in this State, or which may be applying for said license, he shall communicate such doubts, and the reasons for them, to the Insurance Commissioner, or other officer charged with the supervision of insurance corporations of the State in which said company is located, and if he is not satisfied from the information obtained from such Insurance Commissioner or other officer, or from the officers of the company, that the condition of the company is such as to warrant him in permitting it to transact business in this State, under the provisions of this article, he shall notify such company that it will be necessary for him to have its affairs examined by some person or persons by him appointed, and for that purpose the person or persons by him appointed shall visit such company at its principal office, and make a thorough examination into all its affairs." Expenses of examinations must be borne by the companies. See "Fees." Company not allowing such examiners free access to books and papers, subject to revocation of license.

**FEES**—For filing certified copy of charter, \$25; filing annual statement, \$25;

issuing general agents' certificate, \$10; issuing policy-writing agent's license, \$10; issuing solicitor's license (including form certificates), \$5; (solicitor for domestic company, 50c.); retaliatory law applies if greater fee is charged in other States; furnishing abstracts of annual statement for publication, two in Baltimore, \$2 each, and actual net cost of publication; copies of papers on file, 25 cents per folio; certifying same, \$1; examination of companies, actual expenses incurred, not to exceed \$10 per day, with traveling and other expenses, for each person engaged in such examination, except that one special examiner may be appointed at not exceeding \$25 per day, and the Department examiner may receive not more than \$15 per day, in addition to his salary, as well as traveling and other expenses. Company not located in Maryland is required to obtain license to do business from the Commissioner and pay to the Insurance Commissioner \$100 annually; proportionately for fractions of a year. Maryland company pays annual license fee of \$1. Licenses expire December 31. Broker's license, \$100; broker's solicitor's license, \$25. Fee for recording each policy of an unauthorized company, \$1. Fees are payable to the Insurance Commissioner.

**FIRE DEPARTMENT TAX**—Governed by reciprocal provision.

**FIRE MARSHAL**—The law whereby the duties of fire marshal were performed by the State Insurance Department became ineffective October 1, 1918.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—Are required annually on July 1.

**GENERAL PENALTIES**—Any person or persons, or any company violating any provision, where penalty is not specially mentioned, shall be subject to a fine of not less than \$100 nor more than \$1000. Any person acting for unauthorized company shall be deemed guilty of a misdemeanor, and on conviction thereof, shall be punishable by a fine of not less than \$25 nor more than \$200, or by imprisonment in the city or county jail not less than thirty days or more than one year, or both.

**IMPAIRMENT**—Sec. 178, sub-sec. 9. "Having charged against the company the reinsurance reserve, as above determined, for fire, inland and marine insurance, and adding thereto all debts and claims against the company, he shall, in case he finds the capital stock of the company impaired to the extent of twenty-five per cent, give notice to the company to make good its whole capital stock within sixty days; and if this is not done he shall require the company to cease to do new business within this State; and shall thereupon, in case the company is organized under the authority of this State, immediately institute such legal proceedings as are necessary to protect the rights of all persons in said company."

**INVESTMENTS PRESCRIBED**—Domestic companies may invest their capital in bonds, coin or treasury notes, notes of the United States, or bonds and stocks of Maryland or of any other State, or of any county, incorporated

city or other corporation of this or any other State having legal authority to issue the same, not only bearing but paying interest, or in ground rents or loaned upon mortgages of unincumbered real estate in Maryland or any other State worth at least double the amount loaned thereon, or may loan upon the pledge of any of the above securities; provided that the current market value of such pledged securities, other than stocks and bonds of Maryland or of the United States, shall be at all times during the continuance of such loans at least ten per cent more than the sum loaned on them. Companies may hold and acquire real estate sufficient for their office or business purpose only; provided, however, that they shall have the right to purchase and hold real estate under a foreclosure of their own mortgages for a period of not more than five years. Every company must keep an amount equal to its entire reinsurance reserve and all other debts and claims against it, exclusive of capital, invested in obligations of the United States, any State, county or city of the United States, paying interest; real estate for company's business purposes only (except foreclosed properties); first mortgages not exceeding 60 per cent of property values; collateral loans on securities above named.

**LICENSED BROKERS**—Section 219 provides that a person, partnership or corporation may be licensed as an insurance broker on payment of \$100 to the Insurance Commissioner, plus the latter's fee of \$1.00; and that a license will be issued for \$25, plus \$1.00 fee, entitling a broker to do business in any county of the State in which he resides. Not exceeding three members of a partnership or corporation may be named in the license. Searching inquiries are made as to the qualifications of those applying for licenses. Section 199 defines a broker as follows: "Whoever for compensation acts or aids in any manner in negotiating contracts of insurance or reinsurance, or placing risks, or effecting insurance or reinsurance for a person other than himself, and not being duly appointed solicitor, agent or officer of the company in which such insurance or reinsurance is effected, shall be deemed an insurance broker within the meaning of this article." Penalty for acting as broker without a license, fine of \$500 for each offense. Brokers' certificates expire May 1. License fee is pro rated for portion of year to that date. See "Miscellaneous." Sec. 219A provides for licensing brokers' solicitors at \$25 per year (payable to the Insurance Commissioner) authorizing them to act for a particular broker. Penalty for violation, fine of \$500. Chapter 101, Acts of 1918, provides that any insurance broker placing insurance on property in Maryland against fire, lightning or tornado, in companies, associations, firms or corporations not authorized to do business in Maryland, shall, between the first and tenth days of each month, submit in writing to the Insurance Commissioner a list of such policies of insurance so placed by him in the preceding month. Such information shall not be a public record, but shall be kept for the private information of the Insurance Department. Penalty for violation, suspension of license not exceeding 90 days. Non-



resident brokers and brokers' solicitors doing business in Maryland must be licensed.

**LIMIT ON A SINGLE RISK**—No provision.

**LLOYDS**—Sec. 181. "Associations or individuals, citizens of the United States, whether organized within the State, or elsewhere within the United States, formed upon the plan known as 'Lloyds,' whereby each associate underwriter becomes liable for a proportionate part of the whole amount insured by a policy, may be authorized to transact insurance other than life, in this State, upon the following conditions: That any such association organized in this State may be permitted to transact the insurance business upon the same terms and conditions as are by the laws of this State imposed upon an insurance company organized under the laws of this State, and any such association organized in any other of the United States may be permitted to transact its business in this State upon the same terms and conditions as are by the laws of this State imposed upon an insurance company incorporated in the State where such association was organized."

**MISCELLANEOUS**—Each company must transact business in its own proper or corporate name. [Sec. 179 provides that if the Insurance Commissioner has reason to believe that a company is issuing policies at an insufficient and impracticable rate he shall notify such company to adjust its rates on a safer and more adequate basis, and if such company shall refuse to so adjust its rates the Insurance Commissioner may cause an examination to be made of such company's affairs, and if the result of such examination shall warrant it the Insurance Commissioner shall notify such company to cease writing business on rates deemed to be insufficient; but this section is construed as applying only to life insurance.]

Chapter 322, Laws of 1908 (as amended by Chap. 101, Acts of 1918)  
—Sec. 166. "All persons, individuals, firms, associations and corporations obtaining insurance on property situate in this State, owned by individuals or firms resident in this State, or corporations incorporated under the laws of this State against fire, lightning or tornado, from companies, associations, firms or corporations not authorized to transact business in this State, shall file with the Insurance Commissioner of the State a statement or declaration setting forth the name of the company, number of policy, amount of insurance, rate, premium and description of property, shall be required to pay a tax thereon of 5 per cent of the premium paid on such policies to the said Commissioner; and shall further pay a fee to said Insurance Commissioner of one dollar on each policy for making a record of the said statement or declaration, which record shall be kept for the private information of the insurance department of this State, and shall not be a public record." Sec. 167. "Whenever any person or firm resident in this State or corporation, incorporated under the laws of this State, shall file with the Insurance Commissioner an affidavit that said person, firm or corporation is unable to obtain in companies legally authorized to do business in this State insurance, or a sufficient amount thereof,

on property situate in this State owned by said person, firm or corporation, then the Insurance Commissioner shall issue a license to such person, firm or corporation authorizing the procurement of insurance in non-admitted companies or associations to the extent of the insurance desired; and such person, firm or corporation shall not be required to pay the tax imposed by the preceding section, but shall be required to pay to said Insurance Commissioner a fee of one dollar on each policy so obtained; and said Insurance Commissioner shall make a record thereof in the book mentioned in the preceding section, showing name of company, number of policy, amount of insurance, rate, premium and date of expiration of policy; and in case of damage to or loss by fire, lightning or tornado of any property so insured, the said unauthorized company is hereby authorized through its agent or agents to enter this State for the purpose of adjusting any such loss or damage sustained under said policies, but not to solicit insurance in such unauthorized companies." Sec. 168. "Any person, firm or corporation who shall, with intent to secure such license, make a false affidavit, shall be guilty of perjury; and any policy of insurance obtained under such license shall be void, and the license so issued shall be cancelled by the Insurance Commissioner." Penalty for violation: Fine of not less than \$100 nor more than \$1000, or imprisonment for one month to six months. Sec. 171. "It shall be the duty of the Insurance Commissioner to stamp all policies issued in non-admitted companies 'Unauthorized Company, tax paid' or 'Unauthorized Company, no tax,' and any person, firm or corporation who shall obtain or have in their possession any policy of companies not authorized to do business in this State, dated after the passage of this Act, insuring such individual, corporation or firm from loss and damage by fire, lightning or tornado upon property situate in this State without being so stamped, shall be subject to all the penalties of Section 169 (fine or imprisonment as above stated) of this Act; provided, however, that railway companies and other common carriers engaged in inter-State commerce may place insurance without complying with the requirements of this Act." Sec. 172. "All policies of insurance against loss or damage to property in this State from fire, lightning or tornado, issued by companies, associations, firms or corporations authorized to transact the business of insurance in this State, shall have plainly marked or stamped in indelible ink on each policy the words following "Authorized to do business in the State of Maryland," to which shall be annexed a fac-simile of the signature of the Insurance Commissioner of this State; any company, association, firm or corporation violating the provisions of this section shall be guilty of a misdemeanor, and upon conviction thereof shall be liable to the penalties prescribed by Section 167 of this Act. The Insurance Commissioner of this State shall furnish stamps for the purpose herein prescribed at a cost not to exceed two dollars for each stamp, to be paid by all such authorized companies, associations, firms or corpora-

tions." (The rubber stamps mentioned in Sec. 157G will be sold by the Insurance Department to companies at 50 cents each. Promoters selling insurance companies' stocks must be licensed. Sprinkler leakage insurance may be written by fire insurance companies under fire insurance license. A law of 1916, Chap. 254, provides for the punishment of companies and agents guilty of twisting, misrepresentation or other fraudulent practices. Chap. 274, Laws of 1916, regulates the promotion of stock insurance companies and the sale of capital stock of companies in process of organization. Licenses to sell stock subscriptions are required. Chapter 552, Acts of 1920, also relates to promotion of new companies.

**MUTUAL COMPANIES**—Sec. 154B provides that no company shall transact business until not less than 200 separate risks, none larger than 20 per cent of the admitted assets, or three times the average risk, or 1 per cent of insurance in force (whichever is greatest), involving premiums of not less than twice the maximum risk assumed, nor less than \$10,000, or shall hold surplus equal to the capital stock and surplus required of a stock company. Such a mutual company must maintain unearned premium and other reserves on same basis as stock company. Real estate cannot be held longer than five years, except that required for the company's accommodation in transacting its business. Mutual companies organized before January 1, 1916, upon the deposit note and assessment plan, may continue such business, such deposit notes constituting the entire liability of members. Mutual companies of other States may be admitted upon complying with the requirements as to domestic companies of the same class, but must file with the Insurance Commissioner certified copies of articles of incorporation and by-laws, the appointment of Insurance Commissioner as attorney for the service of process, a financial statement, and, in general, complied with same requirements as apply to stock companies, and must pay the usual fees. All laws relating to stock fire insurance companies not inconsistent with the special mutual provisions apply to mutual companies. See "Domestic Companies." Mutual companies are exempt from requirements in Sec. 189. (See under "Publication.")

**PRELIMINARY DOCUMENTS**—(Sec. 182). Company must file a copy of charter duly certified; a power of attorney appointing a citizen of this State (other than the Commissioner) the attorney of the company upon whom process of law can be served; a statement under oath of the company on the thirty-first day of December next preceding; a requisition for the appointment of each agent or solicitor. (This may be done by a designated general agent of the company); a certificate of the Insurance Commissioner of its own State, that the company is entitled to assume risks and issue policies therein.

**PUBLICATION**—Sec. 206. "Abstract of annual statement must be published by the insurance department once a week for three consecutive weeks in a daily newspaper published in the city of Baltimore; except that in case of insurance companies of this State having their principal office in one

of the counties of this State, the newspaper selected for publication must be published in the county where such company is located; the company shall, in addition, publish in another paper said abstract three consecutive times prior to April 1." Sec. 215. "Every insurance company doing business in any of the counties of this State shall, during the month of April of each and every year, publish in at least one newspaper published in each of said counties for three consecutive weeks an abstract of the annual statement as required by this article, provided that such publication shall not be required of mutual companies, formed under any general or specific law of this State, which annually send a full and detailed statement of the affairs and business of said companies to all of their respective policyholders and to the State Insurance Commissioner." No fixed charge; average cost, \$15 to \$25.

An opinion of the Attorney-General reads, in part, as follows: "It is made the duty of the Insurance Commissioner to publish annually, prior to the first day of April, once a week for three consecutive weeks, in a Baltimore daily newspaper an abstract of the annual statement of each insurance company doing business in the State, except those having their principal office in the State. In the case of such latter companies the abstract must be published prior to the first day of April, once a week for three consecutive weeks, in a newspaper published in the county where the principal office is located. In addition fire, life, bonding and casualty companies, irrespective of the location of the principal office of the company, must publish annually, prior to the first of April, three consecutive times, an abstract of the annual statement in one Baltimore newspaper. No other publication is required of such companies.

**RECIPROCAL INSURANCE**—Chapter No. 400, Acts of 1918, enacted new sections amending Article 23, of the Code of Public Civil Laws, by adding thereto thirteen new sections numbered and lettered 154-AA, 154-AB and AC, AD, AE, AF, AG, AH, AI, AJ, AK, AL, AM. These provide that individuals, partnerships and corporations of Maryland may exchange reciprocal or inter-insurance contracts with each other or with parties of other States and countries, providing indemnity among themselves from any loss which might be insured against under any other provisions of the laws of Maryland, except life, health and personal accident insurance. Through their attorney, such subscribers shall file with the Insurance Commissioner a declaration stating the name of the attorney, the name under which contracts are issued, the kind or kinds of insurance to be effected, a copy of the policy form, a copy of the power of attorney, the location of office or offices, a statement that applications have been made for indemnity upon at least seventy-five separate risks, aggregating not less than \$1,500,000 (in case of liability and compensation insurance of not less than \$4,000,000), and that there is on deposit with the attorney, available for the payment of losses, not less than \$50,000 (\$100,000 for liability and compensation insurance), also a financial statement in the

form prescribed for the annual report. Attorney must file agreement that action may be brought in the county or city in which property insured is situated, and service of process may be had upon the Insurance Commissioner in all suits arising out of policies, such service to be binding upon all subscribers. Whenever required by the Insurance Commissioner, the attorney shall file a sworn statement showing the maximum amount of indemnity upon a single risk, which is limited to ten per cent of the net worth of a subscriber. Assets must always equal 100 per cent of the net unearned premiums or deposits collected, and credited to the accounts of subscribers, or fifty per cent of the net annual advanced premiums or deposits collected and credited to the accounts of subscribers on policies having one year or less to run, and pro rata on those for longer periods, and must amount to at least \$50,000 (\$100,000 for liability and compensation insurance). Annual reports are required as of other insurance companies. Reciprocal insurance organization is subject to examination by the Insurance Commissioner. No contract of indemnity shall be made until a permit has been secured from the Insurance Commissioner. License must be renewed annually and taxes and fees paid as follows: License fee, \$25; tax of two per cent upon gross premiums or deposits during the preceding year, deducting all amounts returned to subscribers or credited to their accounts other than for losses. Organizations located in other States are governed by reciprocal law, as to taxes and fees. (See "Lloyds.")

**RECIPROCAL LAW**—Sec. 205. "When by the laws of any other State any deposit of money or securities is required, or fines or penalties or other obligations or prohibitions are imposed upon insurance companies incorporated or organized under the laws of this State, and transacting business in such other State, or upon the agents of such insurance companies, greater than those required or imposed by the laws of this State, so long as such laws continue in force, the same fines, penalties and deposits, obligations and prohibitions shall be imposed upon all agents or insurance companies of such State doing business in this State, instead of those prescribed by the laws of this State." This retaliatory feature does not apply to the tax on premiums collected in this State.

**REINSURANCE**—Reinsurance in unauthorized companies not prohibited; but no credit for reinsurance in unauthorized companies is given in computing tax on premiums collected in Maryland.

**REINSURANCE RESERVE**—Fifty per cent of the premiums on risks having less than one year to run, and pro rata on risks that have one year or longer; sixty per cent on marine risks, yearly risks and those covering more than one passage, not terminated, and full premiums on all other marine risks.

**RESIDENT AGENTS**—Sec. 186. "No corporation or association authorized to transact business in this State, and no copartnership or individual, resident or non-resident, shall write any policy of insurance, or assume any

liability in the matter of insurance upon any property, real or personal, situated in this State, unless such policy, certificate, or other evidence of liability assumed by said corporation, association or individual shall have been, previous to delivery, written and signed or countersigned by an officer or agent, resident in this State, authorized by law to sign such policy or contract." This does not apply to the rolling stock or movable property of railroads, or their liability as common carriers, except when more than one-half of their trackage is in Maryland. Marine insurance policies of an admitted company, on business originating in Maryland, covering property located in that State at time of origination, must be signed by a resident agent. Policies on property in continuous passage through the State (even though transshipped from one carrier to another) need not be so signed. If a policy is first placed upon property while the latter is in Maryland, but to be shipped elsewhere, a resident agent's signature is necessary.

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—No requirement.

TAXES—Two per cent on gross premiums collected in Maryland by fire and marine insurance companies, less return premiums and reinsurances in authorized companies, not subject to increase or decrease under reciprocal law is payable to the Insurance Commissioner. No credit allowed for reinsurance in unauthorized companies. Tax on premiums paid unauthorized companies (except for insurance secured under license), 5 per cent. (See "Miscellaneous.")

TAX STATEMENTS—A report of premiums collected must be filed with Insurance Commissioner at time of obtaining license.

VALUED POLICY—No provision.

### COUNTY TAXES AND FEES.

None.

### MUNICIPAL TAXES AND FEES.

BALTIMORE—Fire Insurance Salvage Corps, under State charter, is supported by all fire insurance companies doing business in Baltimore; assessment, two per cent on premiums in city; payable semi-annually. 7/1/20-14

CAMBRIDGE—For each agent, \$10.50, payable annually, May 1.

TANEYTOWN—For each company, \$5, payable June 1.

WESTMINSTER—For each company, \$10, payable May 1.

### CALENDAR—MARYLAND.

On or before

March 1 Annual statement must be filed.

March 1 When bill is rendered pay State premium tax.

April Publication of statement required in three consecutive weeks; abstracts to be obtained from Insurance Department.

May	1	Brokers' certificates expire.
July	1	Foreign companies' home office statements required.
Dec.	31	Company license must be obtained.
		Licenses must be obtained for general and local agents and solicitors.

# MASSACHUSETTS.

## STATE REQUIREMENTS.

**ADJUSTERS' LICENSES**—Each public fire insurance adjuster must procure a license. License expires one year from date of issue, and must be renewed annually from that date.

**AGENTS DEFINED**—Sec. 98. "A person not a duly licensed insurance broker, who for compensation solicits insurance on behalf of any insurance company, or transmits for a person other than himself an application for a policy of insurance to or from such company, or offers or assumes to act in the negotiation of such insurance, or negotiation of its continuance or renewal, shall be an insurance agent within the intent of this act, and shall thereby become liable to all the duties, requirements, liabilities and penalties to which an agent of such company is subject." A collector of premiums who does not solicit applications or renewals may carry on this business if his fee does not exceed five per cent.

**AGENTS' LICENSES**—Companies (both foreign and domestic) must procure licenses for their agents expiring annually on June 30, from the Commissioner of Insurance. Licenses are issued only to persons considered suitable by the Commissioner of Insurance and are revocable at any time, after hearing, for cause. An agent is personally liable on all contracts of insurance unlawfully made by or through him in behalf of an unauthorized company. Penalty for acting as agent without a license, fine of \$20 to \$500. Firm requires but one license, except when appointed agent by a company domiciled in a State the laws of which require Massachusetts companies to take out licenses for each member of a firm. By laws of 1915 (Chap. 82) and 1920 (Chap. 317), the Commissioner of Insurance is allowed to license as agents or brokers partnerships or corporations which restrict the holding and ownership of stock to persons actually engaged as agents or brokers; but foreign corporations cannot be licensed as agents of foreign insurance companies. Act of 1919, Chapter 87, forbids the payment of any compensation by an insurance company, agent or broker to anyone not licensed as an agent or broker. Penalty for violation \$20 to \$200. (See "Brokers Defined.")

**ANNUAL STATEMENTS**—Must be filed on or before January 15; Commissioner may extend time to March 1. Penalty for failure to file statement when due, \$100 for each day's neglect, and company's authority to do new business may be suspended during default; for making false statement, not over three years' imprisonment or fine not over \$5000, or both. (These annual statements and the tax statements are only ones required annually.)

**ANTI-COINSURANCE**—No provision.

**ANTI-COMPACT**—No provision.

**ANTI-REBATE**—Chapter 511 of the laws of 1908, as amended in 1912, prohibits discrimination and the giving or receiving of rebates for policies



issued by insurance companies other than life, and excepting marine companies, their agents, brokers or insured, but not excepting policies of insurance against loss or damage to motor vehicles, their fittings and contents. This law does not forbid a company to receive a commission on a policy under which it is itself insured, nor does it forbid a duly authorized agent, sub-agent or broker, who carries on business in good faith as such, to receive a commission on a policy under which he is himself insured.

**ATTORNEY**—The Commissioner of Insurance must be authorized by companies other than domestic to accept service of legal process. Service may also be made upon any licensed agent of the company who has authority to issue policies and bind risks for the company or who issued the policy, the liability on which is sought to be enforced or who lives or has his usual place of business within the county and who has control over or superintendence of subordinate agents of the company. (Chap. 626, Acts of 1914.)

**BROKERS DEFINED**—Sec. 98. "Whoever, for compensation, not being the appointed agent or officer of the company in which any insurance or reinsurance is effected, acts or aids in any manner in negotiating contracts of insurance or reinsurance or placing risks or effecting insurance or reinsurance or in negotiating the continuance or renewal of such contracts for a person other than himself, shall be an insurance broker." Any suitable person whom the Commissioner of Insurance is satisfied is trustworthy and competent and intends to hold himself out and carry on business in good faith as an insurance broker, may be licensed to act as broker upon payment of \$10 fee; soldiers and sailors who have served during war are exempt from fee. Under Chap. 82, General Acts of 1915, and Chap. 317, Acts of 1920, the Commissioner may license a partnership or a foreign or domestic corporation to conduct an agency or brokerage business exclusively if the holding and ownership of its stock is restricted to persons actually engaged in the insurance business. Such license shall designate the officers of the corporation, not exceeding five, who may solicit or negotiate contracts of insurance on behalf of the corporation. Chap. 181, Laws of 1913, provides for a broker's license limiting the authority of the licensee to the extent agreed upon with the applicant and set forth in the license issued him. Penalty for acting as a broker without a license, fine of \$20 to \$500. Act of 1919, Chapter 87, forbids the payment of any compensation by an insurance company, agent or broker to anyone not licensed as an agent or broker. Penalty for violation, \$20 to \$200.

**CANCELLATION OF POLICY**—Extract from Standard Policy: "This policy may be canceled at any time at the request of the insured, who shall thereupon be entitled to a return of the portion of the above premium remaining, after deducting the customary monthly short rates for the time this policy shall have been in force. The company also reserves the right, after giving written notice to the insured, and to any mortgagee to whom this policy is made payable, and tendering to the insured a ratable proportion of the premium, to cancel this policy as to all risks subsequent to

the expiration of ten days from such notice, and no mortgagee shall then have the right to recover as to such risks." Sec. 1. Chap. 625, 1913, provides: "An insurance company issuing fire insurance policies on property in this commonwealth under the standard form required by law may cancel any such policy in the manner provided by law without tendering to the assured a ratable proportion of the premium if the premium has not been paid to the company or its agent or to a duly licensed insurance broker through whom the contract of insurance was negotiated." See Standard Policy.

**CAPITAL REQUIRED**—Foreign insurance companies may not be admitted unless they have a capital at least equal to that required for the formation of a domestic company. Domestic companies formed for insuring marine and inland risks upon the stock plan must have a capital of not less than \$300,000; fire companies, a capital of not less than \$200,000; but a company having \$400,000 of capital may transact both fire and marine insurance. No corporation may transact any other business than that specified in its charter and articles of association. Fire insurance companies may insure upon the stock or mutual plan against loss or damage to property by fire; explosion, fire ensuing; explosion, no fire ensuing, except explosion of steam boilers and fly-wheels; lightning, hail, or tempest on land; earthquake; bombardment, and risks incident to civil war or foreign invasion; a rising of the waters of the ocean or its tributaries, or by any two or more of said causes, and against loss of use and occupancy caused thereby. Massachusetts companies may also "insure against loss or damage to any goods or premises of the assured, and loss or damage to the property of another for which the assured is liable, caused by the breakage, or leakage of sprinklers, pumps, water pipes, elevator tanks and cylinders, steam pipes and radiators, or plumbing and its fixtures, or against accidental injury from other causes than fire, lightning, bombardment, or windstorm to such sprinklers, pumps, water pipes, elevator tanks and cylinders, steam pipes and radiators, plumbing and fixtures; also to insure against loss or damage to any goods or premises of the assured and loss or damage to the property of another for which the assured is liable caused by the leakage of roofs, leaders and spouting, or by rain and snow driven through broken and open windows and skylights, or caused by the contents of any tank, or impact of any falling tank, tank platform or supports erected in or upon any building, and to insure against loss of use and occupancy due to any of said causes," and other companies may also write such risks if permitted to do so by their charters. Mutual fire insurance companies may be formed with guaranty capital of not less than \$25,000, nor more than \$200,000. Mutual fire insurance companies of other States may not be admitted unless they have net cash assets equal to the capital required of like companies on the stock plan (\$200,000) or net cash assets of not less than \$50,000 and contingent assets of not less than \$300,000, or net cash assets of not less than

\$75,000 with contingent assets of not less than \$150,000, or net cash assets equal to its total liabilities and contingent assets of not less than \$100,000, and also that assets other than contingent are well invested and immediately available for the payment of losses in the State.

**COMMISSIONS TO NON-RESIDENTS**—No provision. Licenses are issued to non-residents as agents for Massachusetts corporations and as brokers under reciprocal provision.

**DEPOSIT**—A foreign marine company is required to have \$300,000 on deposit in one of the States of the United States for the protection of all its policyholders in this country, and foreign insurance companies transacting other classes of business, the same deposit capital as the amount of capital necessary for a company of another State of the United States—in the case of a fire company, \$200,000. Such deposit may be made in securities, but subject to the limitations specified under "Investments Prescribed," which see.

**DOMESTIC COMPANIES**—Sec. 25. "No domestic insurance company shall issue policies until upon examination by the Commissioner, his deputy or examiner, it is found to have complied with the laws of the Commonwealth, adopted a proper system of accounting, employed a competent accountant and a competent and experienced underwriter, and to be without liabilities except, if a stock company, to stockholders for the amount paid in for shares of stock; nor until it has obtained from the Commissioner a certificate stating that it has complied with the foregoing conditions and all other laws and authorizing it to issue policies." For such examination it shall pay into the treasury of the Commonwealth \$30. The procedure for organizing a fire insurance corporation shall be as follows: The proposed corporators, who must be residents of the Commonwealth and not less than ten, shall subscribe articles of association setting forth their intention to form a corporation; its proposed name, which must be approved by the Insurance Commissioner; the class of insurance it proposes to transact and on what business plan or principle; the place, within the Commonwealth, of its location; and, if on the stock plan, the amount of its capital stock. A stock company must have at least five directors. A mutual company must have at least seven directors.

**EXAMINATIONS**—Sec. 6. "At least once in each three years, and whenever he determines it to be prudent, he shall personally or by his deputy or examiner, visit each domestic insurance company, and thoroughly inspect and examine its affairs, to ascertain its financial condition, its ability to fulfill its obligations and whether it has complied with the provisions of law, and any other facts relating to its business methods and management and the equity of its dealings with its policyholders. He shall also make such examination upon the request of five or more of the stockholders, creditors, policyholders or persons pecuniarily interested therein who shall make affidavit of their belief, with specifications of their reasons therefor, that such company is in an unsound condition.

Whenever he deems it advisable he shall cause a complete audit of the books of the company to be made by a disinterested expert accountant. When he determines it to be prudent for the protection of policyholders in this Commonwealth, he shall in like manner visit and examine or cause to be visited and examined by some competent person or persons whom he may appoint for that purpose any foreign insurance company applying for admission or already admitted to do business by agencies in this Commonwealth, and such company shall pay the proper charges incurred in such examination, including the expenses of the Commissioner or his deputy and the expenses and compensation of his assistants employed therein." License of company found to be in unsound condition, or whose officers refuse to submit to examination, shall be revoked or suspended. Failure to appear and testify, or other obstruction of the Commissioner, shall be punishable by fine of not more than \$1000, or by imprisonment for not more than one year.

**FEES**—For filing certified copy of charter, \$30; filing annual statement, \$20; issuing agents' certificate, \$2; issuing certificate of examination, \$2; service of process on Commissioner, \$2; issuing license to special broker to do business with unauthorized company, \$20; brokers' license, \$10; copies of papers on file, 12 cents per page, certifying same, \$1; examination of domestic companies as to qualification to begin business, \$30; adjuster's license, \$2. Fees payable to Commissioner of Insurance.

**FIRE DEPARTMENT TAX**—Governed by reciprocal provision. (Payable to Tax Commissioner.)

**FIRE MARSHAL**—There is a State fire marshal in the Department of Public Safety.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—None required.

**GENERAL PENALTIES**—Sec. 120. "Whoever violates any provision of this act, the penalty whereof is not specially provided for herein, shall be punished by a fine of not more than \$500." Special broker violating law regulating insurance in unauthorized companies is subject to a fine of not less than \$100, nor more than \$1000, or to imprisonment for not more than one year, and forfeiture of license. Any person acting for an unauthorized company may be fined \$100 to \$500. This does not apply to the insurance affidavit risks as placed by a special broker, to marine and inland risks, nor to risks which cannot to advantage be placed in authorized companies. Any company publishing false statement liable to fine of not less than \$50 or more than \$500.

**IMPAIRMENT**—Sec. 8. "If it appears to the Commissioner of Insurance that the capital of a domestic insurance company is impaired to the extent of one-quarter or more, on the basis fixed in Sec. 11, and that the company can with safety to the public and its policyholders be allowed to continue in business, he shall notify the company that its capital is legally subject to be made good in the mode provided by Sec. 38, and if such com-

pany shall not within three months after such notice satisfy him that it has fully made good its capital or reduced it, as provided in Sec. 40, \* \* \* he shall apply to the Supreme Judicial Court, which shall have jurisdiction in equity of such application, for an injunction restraining it in whole or in part from further proceeding with its business." Sec. 50. "If a mutual fire insurance company is not possessed of cash funds above its unearned premiums sufficient for the payment of incurred losses and expenses, it shall make an assessment for the amount needed to pay such losses and expenses upon its members liable to assessment therefor, in proportion to their several liabilities." The Commissioner of Insurance may revoke the authority of a fire insurance company whenever, in his opinion, its condition is unsound, that it has failed to comply with the law or the provisions of its charter, or that its condition is such as to render its proceeding hazardous to the public or to its policyholders, or its assets above liabilities, exclusive of capital and inclusive of unearned premiums, are less than the amount of its original capital or required unimpaired funds.

**INVESTMENTS PRESCRIBED**—The capital of domestic companies may be invested in mortgages on real estate in any State of the United States, and upon certain leasehold estates in improved real property; real estate needed for the convenient accommodation of its business, which must not exceed in value ten per cent of its assets; in public funds of the United States or District of Columbia, or any State of the United States; in legally authorized bonds or notes of any city, county, town, school or water district of this Commonwealth, or of any State of the United States, and which division has at least 100,000 population; in legally authorized bonds or notes of such divisions whose net indebtedness after deducting water debt and sinking fund securities, does not exceed five per cent of the taxable property therein; or in bonds or notes of any railroad corporation located in this Commonwealth, or in the mortgage bonds of any railroad corporation wholly or partly in any of the United States, provided that its capital stock equals at least one-third of its funded indebtedness, and that the road has paid its bond interest and regular dividends of at least four per cent for the five years last preceding, or in bonds guaranteed by such a road; or may loan upon any of the above collateral. Sec. 11. "He shall allow to the credit of any insurance company in the account of its financial condition only such assets as are available for the payment of losses in this Commonwealth, including all assets deposited in other States or countries for security of policyholders of the company, but no holding or parcel of real estate shall be given a higher value than would be adequate to yield at three per cent annual interest the average amount of its net rental for three years next preceding, except that if an insurance company shall show to the satisfaction of the Commissioner of Insurance that the actual value of any of its real estate is greater than the value so ascertained, the actual value of the said real estate as determined by the

Commissioner of Insurance shall be allowed." Real estate taken by domestic companies in settlement of debts must be sold within five years, unless the time is extended by the Commissioner of Insurance.

**LICENSED BROKERS**—Brokers may be licensed, at \$10 per year, to deal with authorized companies and agents. A law of 1915, as amended in 1920, allows corporations or partnerships to secure brokers' licenses. See "Special Brokers."

**LIMIT ON A SINGLE RISK**—No insurance company shall insure in a single risk other than transportation, inland navigation and ocean and coastwise marine risks, wherever such risk is located, a larger sum than one-tenth of its net assets, unless it has provided for reinsurance of the excess over said limit, to take effect simultaneously with the original contract. Penalty for violation, fine not exceeding \$500, and license of foreign company may be revoked. See Sec. 20, under "Reinsurance."

"If the directors of a domestic company allowed to be insured on a single risk a larger amount than the law permits, they shall be liable for any loss thereon above the amount they might lawfully insure."

**LLOYDS**—Sec. 91. "Associations of individuals, citizens of the United States, whether organized within this Commonwealth or elsewhere within the United States, formed upon the plan known as Lloyds—whereby each associate underwriter becomes liable for a proportionate part of the whole amount insured by a policy—may be authorized to transact insurance other than life in this Commonwealth, in like manner and upon the same terms and conditions as insurance companies of other of the United States."

**MISCELLANEOUS**—Sec. 8. "If he (the Commissioner of Insurance) is of opinion that any domestic insurance company has exceeded its powers; or has failed to comply with any provision of law; or that its condition or management is such as to render its further transaction of business hazardous to the public or to its policyholders or to its creditors; or that it has attempted or is attempting to compromise with its creditors on the ground that it is financially unable to pay its claims in full; or if when its cash assets are less than its liabilities, inclusive of unearned premiums, but exclusive of capital if any, it attempts to the disadvantage of policyholders who have sustained losses to prefer or has preferred by reinsurance policyholders who have sustained no loss; or if it is insolvent, he shall apply to the Supreme Judicial Court, which shall have jurisdiction in equity of such application, for an injunction restraining it in whole or in part from further proceeding with its business."

Sec. 21. "No oral or written misrepresentation or warranty made in the negotiation of a contract or policy of insurance by the assured or in his behalf shall be deemed material to defeat or avoid the policy or prevent its attaching unless such misrepresentation or warranty is made with actual intent to deceive or unless the matter misrepresented or made a warranty increased the risk of loss." No policy shall limit time for commencing legal action to less than two years. Insurance must not be written for more than the fair value of the insured property, nor for a longer term

than seven years. Sec. 119. "A domestic fire insurance company which establishes an agency or appoints an agent or other person to solicit or transact business for it in a State in which such corporation has not been lawfully authorized to transact business, or which pays or allows a commission or emolument to any person within such State, for the solicitation or procurement of insurance upon property therein, shall be punished by a fine of not less than \$300." Unpaid losses of an insolvent domestic company are preferred claims. Special brokers obtaining insurance in unlicensed companies must file affidavits within five days that the desired insurance could not be obtained in authorized companies (see "Special Brokers").

The following law went into effect January 1, 1911: Sec. 1. "In cases of loss under any fire insurance policy issued after this act takes effect, the insurance company shall not, in defense of any action, avail itself of the omission on the part of the insured to furnish forthwith to the company the sworn statement in writing required by law, provided the insured has after such loss forthwith in writing notified the company at its home office or at the office of the agency issuing the policy of the fire and the location thereof; and provided, further, that the insured, if the company after receiving notice in writing, as aforesaid, requests him in writing so to do, furnishes the company with said sworn statement. If after receiving notice in writing as aforesaid from the insured the company does not forthwith request of the insured said sworn statement, the periods of time within which the company shall as provided in the policy pay the amount for which it shall be liable to replace the property or notify the insured of its intention to rebuild or repair the premises shall be computed from the time the company received said notice in writing. Sec. 2. On the filing back of every such policy there shall be printed or stamped in clear type not smaller than long primer the words: 'In case of fire notify the company or its local agent at once in writing.'"

Misrepresentation of terms of policies is prohibited and offenders are guilty of a misdemeanor and are liable to a fine of \$100 for each offense. (Sec. 1, Chap. 474, 1913.)

Domestic companies are permitted to pension employees of ten years' service who have been disabled; of fifteen years' service who are infirm.

Domestic companies, with the approval of the Commissioner, may establish an employees' saving fund or contributory pension system for the benefit of aged or disabled employees. (Section 1, Chap. 613, 1913.)

Companies are required to list in their annual statements claims under policies issued in Massachusetts which have been contested in court or are in suit when statement is filed.

Commissioner has supervision over financing companies and promoters of insurance companies.

Company's corporate title must be used on all policies.

Fire company authorized to write marine insurance may write full coverage automobile policies.

**MUTUAL COMPANIES—Fire.** Sec. 42. "No policy shall be issued by a purely mutual fire insurance company, organized subsequent to the twenty-third day of April, in the year eighteen hundred and ninety-four, nor by a mutual fire insurance company with a guaranty capital of less than \$100,000, until not less than \$1,000,000 of insurance, in not less than 400 separate risks upon property located in this Commonwealth, has been subscribed for and entered on its books." Sec. 45. "A mutual fire insurance company may be formed with, or an existing mutual fire insurance company may establish, a guaranty capital of not less than \$25,000, nor more than \$200,000, divided into shares of \$100 each, which shall be invested in the same manner as is provided for the investment of the capital stock of certain insurance companies by Sec. 37. The stockholders of the guaranty capital of a company shall be entitled to a semi-annual dividend of not more than three and one-half per cent on their respective shares if the net profits or unused premiums, left after all expenses, losses and liabilities then incurred, with the reserve for reinsurance, are provided for, shall be sufficient to pay the same. The guaranty capital shall be applied to the payment of losses only when the company has exhausted its cash in hand and the invested assets, exclusive of uncollected premiums, and when thus impaired, the directors may make good the whole or any part of it by assessments upon the contingent funds of the company at the date of such impairment." Sec. 53. "A mutual marine insurance company organized under the provisions of this act shall have an agreement under the seal of each subscriber thereto, substantially as follows: 'The subscribers severally agree to pay to the \* \* \* Insurance Company on demand the whole or such part of the amounts set against our names as may be called from time to time for the use of said company in the payment of its losses and expenses not otherwise provided for.' Such company shall not issue policies until the amount of \$300,000, which shall be the total of such subscriptions, shall have been so subscribed, and a certificate signed by the president and a majority of the directors, certifying that the subscribers are known to them and that they believe them to be solvent and able to pay their subscriptions, has been deposited with and approved by the Commissioner of Insurance." Sec. 47, as amended by Chap. 9, Gen. Stat., 1917, provides that mutual companies may accumulate and hold profits up to four per cent of the insurance in force, such money to be invested in same manner as required of capital of stock companies. Farm, manufacturing and other property may be variously classified and dividends paid on experience of various classes, but all policies must state the classes to which they belong. Mutual fire company may write marine, automobile and automobile and teams property damage, if it has at least \$2,000,000 insurance in force in not less than 800



risks, and, in general, the same classes of risks as may be written by stock companies.

**PRELIMINARY DOCUMENTS**—Companies of other States must file: certified copy of charter; copy of financial statement, verified by examination by home department; certificate of appointment of Commissioner of Insurance as attorney to accept service; certificate of Insurance Department of home State that company was duly organized and has authority to transact business; affidavit that company is not covering in a single hazard, an amount in excess of ten per cent of its net assets; and agreement of officers that company will not reinsure Massachusetts risks in unauthorized companies, except in accordance with Sec. 1, Chap. 114, Laws of 1919. Companies of other countries must file, in addition to the above: duplicate of deed of trust and appointment of trustees; certified copy from home office of vote of the directors authorizing deposit of securities in the United States; duplicate of contract with the United States manager; list of securities held by trustees, certified by the trustees; certificate of deposit giving list of securities. All the above documents coming from the home office must be duly vised by the American Consul. Copy of charter and reinsurance affidavit need be filed but once. Whenever charter is amended, a certified copy is required.

**PUBLICATION**—No provision. Any advertisement showing assets must also show liabilities according to the Massachusetts standard, on the basis allowed for the last previous annual statement; and only the paid-up capital may be shown in any advertisement of capital. Penalty for violation, fine of \$50 to \$500.

**RATES: BOARD OF APPEAL**—A board of appeal consisting of the Commissioner of Insurance (or his deputy) and two other citizens, is established to hear complaints as to premium rates.

**RECIPROCAL INSURANCE**—No special provision. See "Lloyds."

**RECIPROCAL LAW**—Sec. 90. "If by the laws of any other State any taxes, fines, penalties, licenses, fees, deposits or other obligations or prohibitions, additional to or in excess of those imposed by the laws of this Commonwealth upon foreign insurance companies and their agents, are imposed on insurance companies of this Commonwealth and their agents doing business in such State, like obligations and prohibitions shall be imposed upon all insurance companies of such State and their agents doing business in this Commonwealth so long as such laws remain in force."

**REINSURANCE**—Sec. 20. As amended by Chap. 114, Laws of 1919, every insurer authorized to issue policies in this Commonwealth may reinsure in any other insurer any part or all of any risk or risks, other than life, assumed by it, but such reinsurance unless effected (a) with an insurer authorized to issue policies in this Commonwealth, or (b) with an insurer

similarly authorized in another State, Territory or district of the United States and showing the same standards of solvency and meeting the same statutory and departmental regulations which would be required or prescribed of such insurer were it at the time of such reinsurance authorized in this Commonwealth to issue policies covering risks of the same kind or kinds as those reinsured, shall not reduce the taxes to be paid by or the reserve or other liability to be charged to the ceding insurer: provided, that nothing in this section shall be construed to permit to a ceding insurer any reduction of taxes through reinsurance effected with an insurer not authorized to issue policies in this Commonwealth. In case such reinsurance is effected with an insurer so authorized, or so recognized for reinsurance in this Commonwealth, the ceding insurer shall thereafter be charged on the gross premium basis with an unearned premium liability representing the proportion of such obligation retained by it, and the insurer to which the business is ceded shall be charged with an unearned premium liability representing the proportion of such obligation ceded to it calculated in the same way. The two parties to the transaction shall together carry the same reserve which the ceding insurer would have carried had it retained the risk.

Contracts of reinsurance, whereby an insurer cedes more than seventy-five per cent of the total amount of its outstanding risks shall be subject to approval in writing by the Commissioner of Insurance of this Commonwealth.

The Commissioner of Insurance shall require schedules of reinsurance to be filed by every insurer at the time of making the annual report and at such other times as he may direct.

Penalty for violation, fine of \$500, and license may be revoked.

**REINSURANCE RESERVE—Sec. 11.** "To determine the liability upon its contracts of insurance of an insurance company, other than life and real estate title insurance, and the amount such company shall hold as a reserve for reinsurance, he may take fifty per cent of the premiums written in its policies or the actual unearned portions of said premiums; but in respect to marine risks he shall compute the liability thereon by charging fifty per cent of the amount of premiums written in its policies upon yearly risks, and upon risks covering more than one passage not terminated, and the full amount of premiums written in policies upon all other marine risks not terminated; but in the case of foreign fire and marine insurance companies with less than \$300,000 capital, admitted to transact fire insurance only in this Commonwealth, the full amount of premiums written in their marine and inland navigation and transportation insurance policies shall be charged as liability."

**RESIDENT AGENTS—Sec. 89.** "Foreign companies admitted to do business in the Commonwealth shall make contracts of insurance upon lives,

property or interests therein, only by lawfully constituted and licensed resident agents." In October, 1917, the First Deputy Commissioner of Insurance wrote: "The statute says the contract must be made by a resident agent, but we do not take this to mean that the policy must be written or countersigned by him. This would apply to marine insurance as well as other classes." A ruling of the Attorney-General allows companies to negotiate reinsurance contracts without being signed by resident agents.

**RETURN OF EXCESS PREMIUMS**—Sec. 57. "If buildings insured against loss by fire, and situated within this Commonwealth, are totally destroyed by fire, the company shall not be liable beyond the actual value of the insured property at the time of the loss or damage; and if it shall appear that the insured has paid premiums on an amount in excess of said actual value, the assured shall be reimbursed the proportionate excess of premiums paid on the difference between the amount named in the policy and said actual value, with interest at six per cent per annum from the date of issue; and said excess of premiums and interest thereon shall be allowed the insured from the time any company or companies carrying said insurance at the time of the loss have continuously carried the insurance on the destroyed building or buildings, whether under policies existing at the time of the loss or under previous policies in the same company or companies."

**SEMI-ANNUAL STATEMENTS**—May be required.

**SPECIAL BROKERS**—Sec. 88—"The Commissioner of Insurance, upon the annual payment of \$20, may issue licenses to citizens of this Commonwealth, subject to revocation at any time, permitting the person named therein to procure policies of fire, bombardment, steam boiler and fly-wheel insurance on property in this Commonwealth in foreign insurance companies not authorized to transact business in this Commonwealth. Before the person named in such a license shall procure any insurance in such companies on any such property he shall in every case execute and within five days thereafter file with the Commissioner of Insurance an affidavit, which shall have force and effect for one year only from the date of said affidavit, that he is unable to procure, in companies admitted to do business as aforesaid, the amount of insurance necessary to protect said property, and shall only procure insurance under such license after he has procured insurance in companies admitted to do business as aforesaid to the full amount which said companies are willing to write on said property; but such licensed person shall not be required to file such affidavit if one relative to the same property has been filed within the preceding twelve months by any broker who has been licensed as authorized by this act, nor to offer any portion of such insurance to any company which is not pos-

sessed of cash assets amounting to at least \$25,000, nor to one which has within the preceding twelve months been in an impaired condition. Each person so licensed shall keep a separate account of the business done under the license, a certified copy of which account he shall forthwith file with the Commissioner of Insurance, showing the exact amount of such insurance placed for any person, firm or corporation, the gross premium charged thereon, the companies in which the same is placed, the date of the policies and the term thereof, and also a report in the same detail of all such policies canceled, and the gross return premiums thereon, and before receiving such license shall execute and deliver to the State Treasurer a bond in the penal sum of \$2000, with such securities as the State Treasurer shall approve, with a condition that the licensee will faithfully comply with all the requirements of this section and will annually file with the State Treasurer, in January, a sworn statement of the gross premiums charged for insurance procured or placed and the gross return premiums on such insurance canceled under such license during the year ending on the thirty-first day of December last preceding, and at the time of filing such statement will pay into the treasury of the Commonwealth an amount equal to four per cent of such gross premiums, less such return premiums so reported." Penalty for neglecting to file affidavit and statements required, or for making a false statement, forfeiture of license, and fine of \$100 to \$500, or imprisonment for not more than one year, or both.

**STANDARD POLICY**—The Standard Policy form only must be used, under a penalty of \$50 to \$200; but riders varying the conditions may be used. Companies insuring property against explosion, bombardment or war hazards must file copies of their forms of policies and riders with the Commissioner of Insurance. Policy written in violation of this law will be binding. "Noon" is construed as meaning standard time. Sec. 2, Chap. 625, 1913, provides that on the policy form a rider must be attached, stating that if the premium is not paid, the company may cancel same without tendering assured any part of the premium. An amendment of the standard policy, as to the limitation of suit clause, went into effect May 24, 1916. Adjustment of reduced rate or coinsurance policies in case of loss when the parties disagree as to loss referees must be appointed as provided in the standard form (Chap. 31, Acts of 1919.)

**TAXES**—Companies of other States and countries pay two per cent, but no less in amount than would be imposed during the year by the laws of such other State or country upon insurance companies incorporated by authority of this Commonwealth, or upon their agents, when doing business in such State. Domestic companies pay one per cent on premiums, except those elsewhere taxed. Taxes are payable to the Commissioner of Taxation and Corporations on gross premiums less all premiums on policies not taken or canceled through default of payment, and all premiums returned or credited to policyholders, provided such premiums have been returned as

receipts and assessed, and all reinsurance premiums paid to authorized companies if Tax Commission is satisfied the tax thereon will be paid by reinsurer. A special income tax of  $\frac{3}{4}$  per cent on net premiums from domestic and foreign insurance companies must be paid to the Commissioner of Taxation and Corporations on or before October 1, 1920, on blanks to be filed on or before August 15.

**TAX STATEMENTS**—Acts of 1909, Chap. 490. Part III., Sec. 34. “\* \* \*

Every foreign company, association or partnership, including associations formed upon the plan known as Lloyds, authorized to do business in the Commonwealth, shall annually, during the month of January, make a return to the tax commissioner, in such form as he shall prescribe, signed and sworn to by its secretary, manager or other officer having knowledge of the facts, of the amount insured by it upon property or interests in this Commonwealth, and the premiums and assessments upon such insurance charged on contracts made by it or its agents in this Commonwealth during the year ending on the preceding thirty-first day of December. For cause, the Commissioner of Taxation and Corporations may extend the time within which any such statement may be filed, but not to a date later than the first day of March. Such returns shall state the whole amount of premiums charged by or in behalf of said company, association or partnership, either in cash or in notes absolutely payable, the amount claimed as a deduction therefrom under any of the provisions of this part, and also the classes of deductions and the amount of each class.” Penalty for failure to make return required by Sec. 34, \$25 per day during neglect; for neglecting to make such return for ten days after notice thereof, an additional sum of \$500, and company may also be restrained from doing further business in Massachusetts. Penalty for making false return, amount lost to Commissioner, and penalty of \$500 to \$5000. Domestic companies are required to make returns to the Commissioner of Taxation and Corporations of the real and personal property belonging to the corporation, within and without the Commonwealth.

**VALUED POLICY**—No provision. See “Return of Excess Premiums.”

**COUNTY TAXES AND FEES.**

None.

**MUNICIPAL TAXES AND FEES.**

None.

**BOSTON**—Protective Department, last half 1918, 2 per cent; first half 1919,  $1\frac{1}{2}$  per cent on premiums on buildings and other property.

**WORCESTER**—Protective Department, about two per cent on premiums.

**CALENDAR—MASSACHUSETTS**

On or before

Jan. 15 Annual statement must be filed (time may be extended to March 1).

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Jan.	31	Companies must file returns with Commissioner of Taxation and Corporations showing business in last calendar year.
June	30	Agents' licenses must be procured. Licenses for foreign companies must be procured.
July	1	State premium tax is payable. (Foreign company with no deposit pays 4 per cent.)
Aug.	15	File special income tax with Commissioner of Taxation and Corporations.
Oct.	1	Special income tax is payable.

# MICHIGAN

## STATE REQUIREMENTS.

**ADJUSTERS' LICENSES**—Adjusters must secure licenses, expiring annually on the last day of February, and renewable March 1. Fee of \$2 is charged.

**AGENTS DEFINED**—Ins. Law, Part 2, Chap. III., Sub-Div. 1. "An agent is hereby defined as a person, firm or corporation acting under written authority from any insurance company to solicit insurance and, or, write and countersign policies of insurance and collect premiums therefor." Penalty for soliciting for an unauthorized company, fine not exceeding \$200, or imprisonment for not exceeding one year.

**AGENTS' LICENSES**—Agents must secure licenses annually, which expire last day of February. No charge is made for agents' licenses except under "Reciprocal Law," company of foreign country being considered as domiciled in State in which its deposit is made. Penalty for violation, fine not exceeding \$100, or ninety days' imprisonment, or both. For acting for an unauthorized company, fine not exceeding \$200 or imprisonment not exceeding one year. Only one license is required for an agency corporation, such license designating all officers empowered to act thereunder. Salaried employees writing insurance, and solicitor, working for agents, must secure licenses. Fee for solicitors' license, \$10. An agent must have a license for each company for which he solicits business, and a solicitor for an agency must have a license for each agent or agency he represents. General, district, State and special agents, whether resident or not, must be licensed by the Insurance Commissioner. Fee shall be retaliatory. But non-resident general or special agents cannot solicit or write insurance if their compensation is based on premiums received; or countersign policies.

**ANNUAL STATEMENTS**—Statements of companies must be filed annually on or before February 15. Penalty for neglecting or refusing to make statement or answer inquiries, domestic companies, fine of \$500; for each month's delay, \$500, and for other companies, like penalties and revocation of license. These annual statements and the tax statements are only required annually. Domestic mutual companies also deliver statements yearly to each member.

**ANTI-COINSURANCE**—Coinsurance clause may only be attached to a policy upon written application of the insured, and in consideration of a reduced rate of premium.

**ANTI-COMPACT**—Ins. Law, Part 2, Chap. II., Secs. 11-13, requires filing of undertaking not to enter into any agreement to prevent open and free competition, and prohibits such agreements among companies or agents.

**ANTI-REBATE**—Ins. Law, Part 2, Chap. IV., Sub.-Div. 3, forbids any company or agent to offer, promise, allow, give, set off or pay, directly or indirectly, any rebate of premium or commission or other valuable consideration, which is not specified in the contract of insurance. Penalty for violation, revocation of license for at least one year. Rating law forbids discrimination.

**ATTORNEY**—A resident of the State must be appointed to receive service of legal process, and company must file a stipulation agreeing that legal process served upon the Commissioner or his deputies shall be binding.

**CANCELLATION OF POLICY**—Five days' notice required by standard policy. A company may provide, by rider, that the policy cannot be canceled by company while insured property is endangered by forest fire or other conflagration.

**CAPITAL REQUIRED**—Domestic and other companies must have capital of at least \$100,000. Companies transacting ocean marine business must have a capital of \$400,000.

**COMMISSIONS TO NON-RESIDENTS**—Department rules that, because of resident agents' law, commissions can only be paid to resident agents. An agent cannot place insurance offered him by non-resident agent unless he receives the entire commission.

**DEPOSIT**—No special deposit required. Foreign companies must have \$200,000 on deposit in one of the United States, "in accordance with the laws thereof."

**DOMESTIC COMPANIES**—Ins. Law, Part 4, Chap. I. "Any number of persons, not less than seven, may associate together and form an incorporated company for any or all of the following purposes, to wit: First. To make insurance on dwelling houses, stores, and all kinds of buildings, and upon household furniture, goods, wares and merchandise, and any other property, against loss or damage by fire, lightning, wind and water; and also against bombardment and or explosion, whether fire ensues or not, but not to include steam boiler or fly-wheel explosion. Second. To make insurance as aforesaid upon vessels, freights, goods, wares, merchandise, and other property, against the risks of inland navigation and transportation. Third. To make insurance upon automobiles, whether stationary or being operated under their own power, which shall include all or any of the hazards of fire, explosion, transportation, collision, loss by legal liability for damage to property resulting from the maintenance and use of automobiles, and loss by burglary or theft or both, but shall not include insurance against loss



by reason of bodily injury to the person. Fourth. To make insurance upon vessels, freights, goods, wares, merchandise, specie, bullion, jewels, profits, commissions, bank notes, bill of exchange and other evidences of debt, bottomry and respondentia interests and every insurance appertaining to or connected with ocean marine risks; provided, however, that any corporation including in its charter a provision to assume any of the risks specified in this sub-section must have an unimpaired capital paid in in cash, of not less than \$400,000." Sec. 2. "The capital stock of any stock company organized under this chapter shall not be less than \$100,000, in shares of not less than \$25 or more than \$50 each, which capital stock may be increased by a vote of two-thirds of the stockholders to not more than \$1,000,000; nor shall any company thereafter organized on the plan of mutual insurance, commence business in this State until agreements have been entered into for insurance with at least 200 applicants, the premiums upon which shall amount to not less than \$25,000, of which at least \$5000 shall have been paid in actual cash, and for the remainder of which notes of solvent parties, founded upon actual and bona-fide application for insurance, shall have been received." The Commissioner of Insurance has supervision over promotions of new insurance companies.

**EXAMINATIONS**—Ins. Law, Part I., Chap. II., Sec. 2. "It shall be proper and lawful for the Commissioner of Insurance or any person authorized by him to visit any insurance company in other States or foreign governments for the examination of its affairs, the expenses in all cases to be paid by said insurance companies." The Insurance Commissioner shall charge for services of employees and examiners not exceeding \$10 per day. Domestic companies must be examined annually.

**FEES**—License to place surplus lines, \$25, payable to Insurance Commissioner. Fee for solicitor's license, \$10; for adjuster's license, \$2. Domestic stock and all foreign companies pay admission filing fee of \$25; domestic mutual companies pay \$10. Other fees governed by reciprocal provision, payable to State Treasurer and forwarded to Insurance Commissioner. For making copies of papers, 20 cents per folio; for attaching certificate thereto, 25 cents.

**FIRE DEPARTMENT TAX**—Governed by reciprocal law.

**FIRE MARSHAL**—The Commissioner of Insurance is ex-officio fire marshal, with the Deputy Commissioner ex-officio deputy fire marshal. No tax on companies. Expenses paid from State treasury. Chiefs of all fire departments are deputies of the Fire Marshal's Bureau.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—Not required.

**IMPAIRMENT**—Whenever Commissioner deems that assets of any domestic company are insufficient to justify its continuance in business,

he may require stockholders to make good the amount of any deficiency within thirty days, or thereafter publish a statement of the company's condition. After such first publication the company cannot issue policies, nor transact any business except to close up its affairs. A domestic company failing to make good an impairment may, upon petition and order of court, be taken over by the Commissioner of Insurance, and liquidated.

**INSURANCE IN NON-ADMITTED COMPANIES**—(See "Licensed Brokers.")

**INVESTMENTS PRESCRIBED**—Ins. Law, Part 2, Chap. I., Sec. 16.

"It shall be lawful for any fire insurance company organized or doing business under this act, or incorporated under any law of this State, to invest its capital and the funds accumulated in the course of its business or any part thereof: First, in bonds or notes secured by mortgage lien upon unincumbered real estate worth at least double the amount loaned; second, in bonds of the United States, or any State or Territory of the United States, or in the valid public debt or bonds of any city, county, township, village or school district of any State or Territory in the United States: provided, that such State or municipality has not in the ten years preceding the time of such investment repudiated its debt or failed to pay the same or the interest due thereon or upon any part of such debt; and provided further, that the net indebtedness of said city, county, township, village or school district shall not exceed eight per cent of the assessed valuation of all the real estate therein. Third, (a) in the lawful authorized first mortgage bonds of any steam railroad corporation organized under the laws of any State of the United States; (b) in the first mortgage bonds of railway companies whose lines are leased or operated or controlled by any railroad company specified in paragraph three (a), if said bonds be guaranteed both as to principal and interest by the railway company to which said lines are leased, or by which they are operated or controlled; (c) in the lawful authorized first mortgage bonds of any steam railway incorporated under the laws of any State of the United States, issued for the purpose of retiring all prior mortgage indebtedness on so much of the property of such company as is covered by the mortgage securing such issue of bonds, and further providing for additions, extensions or improvements; (d) in the lawful authorized first mortgage bonds of any electric railway, street railway, gas or electric light or power company, organized under the laws of the State of Michigan; (e) in the lawful authorized first mortgage bonds of steamship companies; provided, that any such company mentioned in the foregoing sub-divisions has for five years prior to the time of making such investment by said insurance company paid annually dividends equal to not less than four per cent of its entire capital stock, and has not during said period defaulted in the payment

of the matured principal or interest of any debts incurred by it and secured by mortgage or trust deed upon its property or any part thereof, or in the payment of any part of the matured principal or interest of any bonds guaranteed or assumed by it, and provided that in the case of electric railroad, street railways, gas or electric light or power companies above referred to, the cost of construction and equipment of the plant of such company shall exceed by at least fifty per cent the amount of the entire bonded indebtedness of such company, and the plant and equipment shall be free from all other liens and incumbrances, and the said company shall have earned during the period it has been in operation more than enough to pay all interest accrued on all said bonds and not less than four per cent per annum dividends upon its entire capital stock outstanding: Provided further, that in the case of first mortgage bonds of steamship companies such mortgages shall be upon steel steamships or steamships for the carriage of freight, or package freight and passengers combined, upon the Great Lakes and connecting waters of at least 5000 tons carrying capacity each: And provided further, that such bonds are issued at the time of the completion and enrollment of such steamship or steamships, or within one year thereafter, and that by the express terms of said mortgage, at least ten per cent of the total issue of said bonds shall be retired annually beginning within two years from the date of said bonds, and that the mortgage liability against the said property shall not exceed one-half of its actual cost, and that the trustee of such mortgage shall be required to protect the lien of said mortgage by attending to the recording thereof and by causing property covered by said mortgage to be insured against all risks on vessel property ordinarily covered by such insurance, including marine risks and disasters, general and particular average, collision liability, protection and indemnity insurance, and insurance against liability for injury to persons, in insurance companies and under forms of policies approved by the trustee, for an amount equal to the full insurable value of such steamship, such insurance to be made with loss payable to said trustee, and policies deposited with it; and that, by the terms of such mortgage the mortgagor shall not suffer such steamship to become indebted in an amount exceeding five per cent of the original amount of the principal of said mortgage at any time, and that the failure of the mortgagor to forthwith procure the release of such steamship or steamships from mechanics', laborers', admiralty, statutory, or other liens, claims or charges against such steamship, shall constitute a default in the provisions of such mortgage: Provided further, that as to any bonds mentioned in this sub-division they shall have been first approved by the securities commission, created by Sec. 67, Act No. 262 of the Public Acts of 1905. Fourth, in any negotiable paper or other evidences of indebtedness secured by any of the above-mentioned classes

of security. Fifth, upon negotiable notes secured by pledge of stock of national or State banks which have a surplus of twenty-five per cent more than the capital; provided, that such loans shall not exceed eighty-five per cent of the market value of the stock, and that the total amount loaned on bank security collateral shall not exceed fifteen per cent of the capital and surplus of the insurance company. Provided further, that not more than one-fourth of the capital and surplus of any insurance company shall be loaned on or invested in the bonds of any one steam railroad, and not more than one-tenth of the capital and surplus shall be loaned on or invested in the bonds of any one railway corporation other than a steam railway, and not more than one-twentieth of the capital and surplus shall be loaned on or invested in the bonds of any one company or corporation other than railroads, and not more than one-tenth of the capital and surplus of the insurance company shall be loaned to any one person, corporation or firm on the collateral pledges. Sixth, in the farm loan bonds to be issued by the Federal land banks operating under the act of Congress, approved July 17, 1916: Seventh, in such governmental securities of this or any foreign government, or governmental subdivisions thereof, not otherwise provided for herein, as may be first approved by the securities commission herein above referred to and the Commissioner of Insurance and subject to such limitations as are herein prescribed for other government and municipal securities: Provided, that any insurance company of this State owning or possessing any bonds, stocks or other securities not in conformity with the provisions of this act shall dispose of such securities within five years from the date of the passage of this act." No company may hold more real estate than is necessary for the accommodation of its business, except that conveyed to it by way of security or satisfaction for debts, or taken under mortgage, which must not be owned longer than five years, except by permission of the Commissioner of Insurance.

**LICENSED BROKERS (non-admitted companies)**—Ins. Law, Part 2, Chap. III., Sub-Div. 2. "That the Commissioner of Insurance, upon the annual payment of a fee of twenty-five dollars, may issue licenses to the residents of this State, subject to revocation at any time, permitting the person named therein to procure policies of fire insurance on property in this State in foreign insurance companies not authorized to transact business in this State, but which are duly authorized to do business in other States having Insurance Commissioners." Bond of \$2000 required. Penalty for violation, revocation of license. Any individual, firm, corporation or association unable to procure sufficient indemnity in licensed companies, on filing affidavit to that effect, may be authorized by the Commissioner to procure the needed additional indemnity in unlicensed com-

panies, but shall pay a tax of three per cent on premiums paid for such insurance.

**LIMIT ON A SINGLE RISK**—American companies must not expose themselves to an amount exceeding ten per cent of their paid-up capital and surplus; foreign companies, ten per cent of deposit capital and surplus in the United States. This refers only to fire and inland navigation risks. Excess may be reinsured in companies authorized in Michigan.

**LLOYDS**—Ins. Law, Part 2, Chap. II., Sec. 9. "That whenever any number of individuals, citizens of the United States, associating themselves within this State or elsewhere for the purpose of doing an insurance business upon the plan known as Lloyds, whereby each becomes liable for a proportionate part of the whole amount insured by a policy executed by them, shall deposit with any bank or trust company of the United States, approved by the Commissioner of Insurance of this State, \$200,000 in cash or securities approved by the Commissioner of Insurance, for the security and benefit of the holders of policies issued by them, and shall cause a report to be made under oath of their financial standing, and of the character and value of the securities constituting the \$200,000 aforesaid, which report shall be attested by the general manager or attorney-in-fact of said individuals, in the same manner and form and at the same time as is herein required of insurance corporations organized under the laws of other States or countries, then and in that case the Commissioner of Insurance shall issue to said individuals under the associate name which they may or shall adopt, a certificate of authority to transact the business of insurance, in this State, subject to the laws of this State governing fire insurance companies of this and other States authorized to do business in this State." See "Reciprocal Insurance."

**MARINE INSURANCE REQUIREMENTS**—The requirements set forth apply to both fire and marine insurance companies unless otherwise specified.

**MISCELLANEOUS**—A company must transact business only in the name under which it is incorporated. Department or general agency name may be stamped or printed on bottom of the policy filing back. No fee or charge may be collected beyond the premium named in a policy.

**MUTUAL COMPANIES**—Ins. Law, Part 4, Chap. I., Sec. 16. "It shall be lawful for any mutual fire insurance company organized under the laws of the State of Michigan or of any other State of the United States, and being possessed of at least \$100,000 of actual net cash assets, to transact the business of fire insurance in this State, in like manner as stock companies of the State of Michigan or other States may do, upon receiving from the Commissioner of Insurance a certificate of authority. Such amount of \$100,000 shall be deemed to be actual capital of such company, and shall be treated as capital by the Commissioner of Insur-

ance in determining the solvency of such company. In all other respects such mutual fire insurance companies shall be subject to all the penalties and provisions of law applicable to stock fire insurance companies of the State of Michigan and of other States transacting business in this State." Mutual lumber, mill and factory companies may be admitted on \$10,000 cash and \$200,000 contingent assets; and hardware and implement dealers' mutuals on \$10,000 cash and \$100,000 contingent assets. See "Domestic Companies." Special provision is made for the organization of mercantile, millers', manufacturers', threshers', retail lumber dealers', mercantile shoe dealers', and automobile mutual companies. A general mutual law was passed in 1917 providing for the incorporation and authorization of all classes of mutual insurance companies except life. (Part 5, Chap. III., Ins. Law.)

**PRELIMINARY DOCUMENTS**—First requirements a certified copy of recent report on examination of company made by Insurance Department of company's home State. Company must file certified copy of charter and verified financial statement, and also stipulate that it will not enter any agreement of any kind with any other company to prevent free and open competition in the matter of insurance; foreign companies must file copy of the charter duly certified to by officers of the State having custody of same, deed of settlement, statement; appointment of attorney for acceptance of service, accompanied by copy of note of appointment; appointment of United States manager to be executed by head office; receive certificate of authority. No certificate will be granted to a company issuing policies in Michigan without authority until a fine of \$200 to \$1000 has been paid. Annual certificates of compliance with laws of company's home State are required.

**PUBLICATION**—Penalty for advertising false statement, or for false advertisement of capital, fine of \$100 or imprisonment for three months, or both, for every director or officer participating in such misrepresentation.

**RATING BUREAUS TO BE MAINTAINED**—Every fire company must maintain or be a member of a rating bureau, which latter shall be under the supervision of the Commissioner of Insurance. Unfair discrimination between risks in the application of credits and charges, or between risks of essentially the same hazard, is forbidden. Basis rate tables and schedules must be filed. According to Attorney General's opinion (December, 1917), this law does not apply to the insuring of automobiles against the hazard of fire.

**RECIPROCAL INSURANCE**—Ins. Law, Part 5, Chap. II., Sec. 1. "Individuals, partnerships and corporations of this State, hereby designated subscribers, are hereby authorized to exchange reciprocal or interinsurance contracts with each other, or with individuals, partnerships and

corporations of other States and countries providing indemnity among themselves from any loss which may be insured against under other provisions of the laws, including employers' liability and workmen's compensation insurance, and excepting life, health and accident insurance \* \* \*." An attorney may act for the subscribers, must file a declaration showing the title; kind of insurance to be exchanged; the form of policy to be used; the form of power of attorney used; the location; that applications have been made for indemnity upon at least 100 separate risks aggregating not less than \$1,500,000, and that at least \$25,000 is on deposit with the attorney available for loss payments. Service of process may be made upon the Insurance Commissioner. No subscriber may assume any single risk to an amount greater than ten per cent of his net worth, according to commercial agency rating. A reserve of fifty per cent of net annual deposits must be carried, with a minimum of \$25,000. Annual statements must be filed on or before February 15. A certificate of authority must be secured annually, and a tax of two per cent of gross premiums or deposits, less amounts distributed to subscribers or credited to their accounts, must be paid to the State. See "Lloyds."

**RECIPROCAL LAW**—Ins. Law, Part I., Chap. II., Sec. 12. "Whenever, by any law in force without this State, an insurance corporation of this State or agent thereof is required to make any deposit of securities thereunder for the protection of policyholders or otherwise, to make payment for taxes, fines, penalties, certificates of authority, valuation of policies, license fees, or otherwise, or any special burden or other burden is imposed, greater than is required by the laws of this State for similar foreign corporations or their agents, the insurance companies of such States or governments shall be and they are hereby required as a condition precedent to their transacting business in this State, to make a like deposit for like purposes with the State Treasurer of this State, and to pay to the Commissioner of Insurance for taxes, fines, penalties, certificates of authority, valuation of policies, license fees and otherwise a rate equal to such charges and payments imposed by the laws of such other State upon similar corporations of this State and the agents thereof.

**RESIDENT AGENTS**—Ins. Law, Part 2, Chap. IV., Sec. 11. "It shall be unlawful for any insurance company, legally authorized to transact business in this State, to write, place, or cause to be written or placed, except through a duly licensed agent in this State, any policy or contract for indemnity or insurance in this State, in or through any such legally authorized company outside of the State of Michigan." The Attorney-General, in February, 1914, construed this law as meaning that all insurance on Michigan property must be placed in the first instance through bona-fide residents of Michigan, who must be the prime factors

in securing the placing of policies. Penalty for violation, revocation of license for ninety days. Reinsurance policies need not be signed by resident agents.

**SEMI-ANNUAL STATEMENTS**—None required.

**STANDARD POLICY**—Since January 1, 1918, a new "Michigan Standard Policy" form has been required to be used. This is similar to the New York form, but with a few modifications. Bureaus must file forms of riders.

**TAXES**—Ins. Law, Part 2, Chap. II., Sec. 17. "Every foreign insurance company, of the classes herein enumerated, admitted to do and doing any insurance business in this State, shall, as a condition precedent to the privilege of doing such business, pay to the Treasurer of the State of Michigan, on the first day of January, of each year, or within sixty days thereafter, (subject to the retaliatory provisions hereinbefore provided) a tax upon its said business written in this State under the authority of the Commissioner of Insurance hereof, for the year ending December 31, of the preceding year, computed as follows: \* \* \* Third, Fire, marine and automobile insurance companies, whether stock or mutual, three per centum, on all premiums, deducting for returned premiums on canceled policies and reinsurance when the tax has been paid on the original premiums; and in mutuals also deducting for dividends paid to members. Such specific taxes shall be in lieu of all other taxation, whether State or local, excepting for real estate owned by such companies within this State and securities deposited herein unless exempted under the general tax laws of the State. No certificate of authority shall be granted to any insurance company or to its agents as such, that is delinquent in the payment of the taxes or penalties prescribed in this act." Retaliatory law applies if home State of company exacts more than the Michigan rate of taxation. Under a Supreme Court decision (in 1913) "a foreign company is not obliged to pay tax on business re-insured from a Michigan company." A tax of four per cent of gross premiums, less return premiums, received by person licensed for unauthorized companies, must be paid. Mutual companies are allowed to deduct dividends paid to Michigan policyholders in reporting premiums for taxation. Inter-insurance associations of other States pay two per cent on gross premiums less amounts distributed or credited to subscribers.

**TAX STATEMENTS**—Must be filed annually on or before February 15.

**VALUED POLICY**—No provision.

#### **COUNTY TAXES AND FEES.**

None (except on domestic companies).

#### **MUNICIPAL TAXES AND FEES.**

None (except on domestic companies).



**CALENDAR—MICHIGAN****On or before**

- Feb. 15**    Annual statement must be filed.  
              Certificate of compliance must be filed.  
              Tax statement must be filed.
- March 1**    Company must secure certificate of authority.  
              Licenses must be secured for adjusters and general, district,  
                    special and local agents and solicitors.  
              Premium tax must be paid.

# MINNESOTA.

## STATE REQUIREMENTS.

**AGENTS DEFINED**—Ins. Laws, Sec. 206. "Every person who solicits insurance and procures an application therefor, shall be held to be the agent of the party afterwards issuing insurances thereon or a renewal thereof." Ins. Laws, Sec. 440. "Every insurance agent or broker who acts for another in negotiating a contract of insurance by an insurance company shall be held to be the company's agent for the purpose of collecting or securing the premiums therefor, whatever conditions or stipulations may be contained in the contract or policy. Whenever any such agent or broker, by fraudulent representations, procures payment, or an obligation for the payment, of an insurance premium, he shall be guilty, in the first offense, of a misdemeanor, and for each subsequent offense of a gross misdemeanor."

**AGENTS' LICENSES**—Agents of companies, foreign and domestic, must procure from the Commissioner certificates of authority, which are renewable annually by March 1. Each member of a firm must be separately licensed. Agents are personally liable for contracts unlawfully made, and on policies of unauthorized companies issued through them. Fraudulent representation, or doing business for an unauthorized company, is a misdemeanor. Applications for licenses must be made by company officials, or by a person authorized to appoint agents, by a power of attorney filed with the Insurance Department. An agency corporation is not recognized in the matter of issuing licenses, but every individual who in any way acts for an insurance company in the negotiation of insurance, must have a license. This applies to each member of a firm or corporation.

**ANNUAL STATEMENTS**—Fire companies' statements must be filed on or before February 1, and all others by February 15, in the form prescribed by the Insurance Commissioner. Classification of business required annually. These statements are the only ones required to be filed annually. Time may be extended, for good cause, to March 1. Penalty for failure to file statement in the form prescribed, and within the time specified, suspension of license and \$25 for each contract of insurance written after notice of such suspension; for making false statement, fine of \$500. Any person swearing to false statement is guilty of perjury. Town and farmers' mutual companies must hold annual meetings before July 1, and file annual report on or before February 1 each year.

**ANTI-COINSURANCE**—Ins. Laws, Sec. 206. "Every company insuring any building or other structure against loss or damage by fire, lightning, or other hazard, by the issue of a policy or renewal of one theretofore issued, or otherwise, shall cause such structure to be previously examined, a full

description thereof to be made, and its insurable value to be fixed, all by the insurer or his agent, and the amount thereof to be stated in the policy. In the absence of any change increasing the risk, without the consent of the insurer, of which the burden of proof shall be upon it, and in the absence of intentional fraud upon the part of the insured, the whole amount mentioned in the policy or renewal upon which the insurer receives a premium shall be paid in case of total loss, and in case of partial loss the full amount thereof. If there are two or more policies upon the property, each shall contribute to the payment of the whole or partial loss in proportion to the amount specified. Any policy where the entire risk covered by the same amounts to \$5,000 or more, may contain a coinsurance clause, if the insured requests same in writing, of which fact such writing shall be the only evidence, and if in consideration thereof, a reduction in the rate of premium is made by the company. When so demanded and attached to the policy, said agreement shall be binding upon both the insured and the company, and in case of loss the actual cash value of the property so insured at the time of the loss, including the buildings, shall be the basis for determining the proper amount of such coinsurance and the amount of loss, notwithstanding any previous valuation of such building."

**ANTI-COMPACT**—No rating agreement is permitted except in compliance with the law concerning rating bureaus.

**ANTI-REBATE**—No deviations from rating bureau rates are permitted except such as apply to an entire class of risks and on fifteen days' notice to Commissioner and bureau.

**ATTORNEY**—The Insurance Commissioner must be empowered to accept service of legal process, proofs of loss notices, etc. Insurance Laws, Sec. 493, requires that every foreign corporation for pecuniary profits shall maintain a public office in the State for the transaction of its business, "and shall appoint an agent, who shall reside in the county in which said public office is located, duly authorized to accept service of process," etc.

**CANCELLATION OF POLICY**—Insured may cancel at any time, and the insurance company may cancel at any time, upon giving ten days' notice.

**CAPITAL REQUIRED**—Stock companies must possess paid-up capital of not less than \$100,000, and, if a company's articles of incorporation so provide, hail, lightning and tornado insurance, as well as fire insurance, can be transacted on this amount of capital. Ocean or inland marine companies must have \$100,000 capital paid up. Companies transacting both fire and marine insurance must have \$200,000 capital, but may also engage in automobile and sprinkler leakage insurance. (Ins. Laws, Sec. 26.) Mutual companies must possess a surplus over and above all liabilities, including reinsurance reserve, and companies organized to do a general fire insurance business must have at least \$750,000 insurance in force, covering no less than 300 separate risks. (Chap. 393 (1919))—A mutual company maintaining reserves and guaranty fund to capital required of stock company may issue policies without contingent liability.

**COMMISSIONS TO NON-RESIDENTS**—No provision.

**DEPOSIT**—Foreign companies are required to have on deposit in one of the United States a sum not less than the capital required of a domestic company (\$100,000), in securities of like character and subject to the same limitations as are investments of domestic companies. See "Investments Prescribed."

**DOMESTIC COMPANIES**—Insurance corporations may be organized to transact various branches of business. The certificate of incorporation, in addition to the general requirements, shall specify the territory in which the company may do business, and, except in stock corporations, the qualifications of members, the method of providing corporate funds, and the classes of property which it may insure. **Mutual companies.**—Rev. Insurance Laws, Sec. 225. "No policy shall be issued by a mutual fire company other than a town or farmers company, until not less than \$750,000 of insurance, in not less than 300 separate risks upon property in this State, has been subscribed for and entered upon the books \* \* \*" **Exceptions:** Creamery mutuals, \$50,000 insurance on 25 risks; retail hardware mutuals, \$500,000 insurance on 200 risks; dwelling and barn mutuals, \$250,000 insurance on 200 risks; printers and publishers mutuals, \$200,000 insurance on 200 risks; grain dealers mutuals, \$100,000 insurance on 50 risks. A township mutual fire insurance company may be organized by not less than twenty-five persons residing in adjoining towns, and owning in the aggregate property worth at least \$50,000. Provision is made by a law of 1919 for the organization and supervision of mutual automobile insurance companies.

**EXAMINATIONS**—Insurance Laws, Sec. 6. "At least once in every two years, the Commissioner of Insurance shall personally, or by his deputy, actuary, examiners or other salaried employe of his office, visit each domestic insurance company, other than township mutual fire insurance companies, and carefully examine its affairs for the purpose of ascertaining its financial condition and ability to fulfill its obligations, and if it be complying with all the provisions of law. He may also make such examination at any other time that he shall have reason to believe that such company is in an unsound condition, or that it is not conducting its business according to the provisions of law. He may also personally or by his deputy, actuary, examiners or other salaried employe of his office whenever he shall deem it necessary, make an appraisal of any or all of the company's assets. The Commissioner, or person making the examination by his direction, shall have free access to all books and papers of any company, and of the books and papers of any of its agents, that may relate to its business, and may summon and examine under oath of its directors, officers, trustees, or other persons, in relation to its affairs and condition. The Commissioner of Insurance may in like manner, whenever he deems it necessary, make an examination of the affairs, or an appraisal of any or all of the assets of any insurance company admitted, or applying for admission to do business

under the laws of this State. In the case of foreign insurance companies admitted or applying for admission to do business in this State, the Insurance Commissioner may, in his discretion, accept the report of examination made by the commissioner of insurance or corresponding officer of the State in which such company has its home office, in lieu of making the examination of such company authorized by the laws of this State." Insurance Laws, Sec. 7. "When any such visitation, examination or appraisal is made by the Insurance Commissioner, his deputy, actuary, or chief examiner, the company so examined, except township mutual fire insurance companies and companies organized exclusively to write insurance against loss or damage by cyclone, tornado and windstorm, or any one or more of them, upon the mutual plan shall pay a fee to the said Department of Insurance of \$15 per day for each and every day necessarily occupied by such person, and each one thereof, in making said examination, or in making an appraisal of any of the assets of said company. When such visitation, examination or appraisal is made, or engaged in, by any other person regularly employed in the said Department of Insurance and receiving a salary from the State of Minnesota, the company so examined, except township mutual fire insurance companies, and companies organized exclusively to write insurance against loss or damage by cyclone, tornado and windstorm, or any one or more of them, upon the mutual plan, shall pay as fees to the said Department of Insurance the sum of \$10 per day for each and every day necessarily occupied by such other person, and each one thereof, in making or assisting to make, the examination, or in making an appraisal of any of the assets of said company, in addition to the fees mentioned herein the company so examined shall also pay to the Department of Insurance the necessary expenses of any such person or persons so engaged in connection with any such examination or appraisal. All of which fees and expenses shall be accounted for and turned into the treasury of the State of Minnesota." In case of the examination of township and tornado mutual insurance companies the actual expenses only thereof shall be charged.

#### FEES—

1. By township mutual fire companies, and mutual hail, tornado and cyclone companies having an annual expense of not more than \$1,000; for filing certificate of incorporation, \$2; for filing annual statements, \$1; for certificate of authority, annually, \$1.
2. By other domestic companies: For filing certified copy of certificates of incorporation and accompanying documents, for obtaining license, \$30; each company's certificate of authority, \$1; for each agent's certificate of authority, twenty-five cents.
3. By foreign companies: For filing certified copy of charter or certificate of incorporation and by-laws, \$30; for filing statement of financial condition, \$20; each company's or agent's certificate of authority, \$2 (license required for each member of a firm or corporation).

4. By all companies (except township mutual, and mutual hail, tornado and cyclone companies having an annual expense of not more than \$1,000): For filing certified copy of amendment to articles of incorporation, \$10; for filing annual statement, \$20; for abstracts or summaries of annual statements, for publication, when prepared by Commissioner, \$10.

5. General fees: For each certificate, including certified copy of certificate of authority, renewal, valuation of life policy, corporate condition or qualification, \$1; for each copy of paper on file in his office, 20 cents per folio, and \$1 for certifying same; for license to procure fire insurance in unadmitted foreign companies, \$10; for each broker's license, \$10; for receiving and forwarding copy of summons or process served upon Commissioner of Insurance, as attorney for any insurance company, \$2, which amount shall be paid by the party serving the same, and may be taxed as other costs in the action. See "Reciprocal Law" and "Examinations." Fees are payable to Insurance Commissioner. Fee for filing documents and procuring certificate from Secretary of State (minimum), \$52. See "Preliminary Documents" and "Attorney."

**FIRE DEPARTMENT TAX**—Included in State tax. See "Retaliatory Law."

**FIRE MARSHAL**—Investigation of fires by a State Fire Marshal is provided for. A tax of three-eighths of one per cent on net premiums, payable on or before the first Monday in April, is levied on fire insurance companies (except town mutuals) for the maintenance of the office. The fire marshal may order the destruction or remodeling of any building which he deems to be a fire hazard. Notification of defective structure must be in writing and if resisted by the owner condemnation proceedings may be instituted.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—None required.

**GENERAL PENALTY**—Issuing a policy in violation of law constitutes (first offense) a misdemeanor or (subsequent offense) a gross misdemeanor. In addition to other penalties, a guilty company shall be disqualified from doing business until all fines are paid and for one year thereafter. Any violation of the law not specifically designated is deemed a misdemeanor for a first offense, and a gross misdemeanor for each subsequent offense.

**GUARANTY SURPLUS AND SPECIAL RESERVE FUNDS**—Insurance Laws, Sec. 214. "After the date of filing any such resolution with the Insurance Commissioner, such company shall not make or declare or pay in any form any dividend upon its capital stock, exceeding eight per cent per annum thereupon and six per cent per annum upon the surplus funds to be formed hereunder, until after its guaranty surplus fund and its special reserve fund shall have altogether accumulated to an amount equal to its capital stock; and any part of the surplus profits of such company above such annual dividend, may be equally divided between and set apart to constitute the said guaranty surplus fund and the said special reserve fund, which funds shall be held and used as herein-after provided, and not otherwise. And any company doing business

under this chapter, whose guaranty surplus fund and special reserve fund shall have together accumulated to an amount equal to its capital stock, may, from time to time, declare dividends out of its surplus profits in such amounts as its board of directors may prescribe, subject only to the limitation that the payment of such dividends shall not deplete its capital, nor reduce the aggregate amount of the guaranty surplus and special reserve funds to an amount less than the amount of its capital stock; and subject to the further limitation that no dividends exceeding ten per cent upon the capital stock shall be declared in any year if the payment thereof would reduce the aggregate amount of all surplus funds, including guaranty surplus and special reserve funds, below an amount equal to twice the capital. And any company doing business under this chapter, which shall declare or pay any dividend contrary to the provisions herein contained, shall forfeit its charter and be liable to be proceeded against by the Attorney-General for its dissolution." Company having set apart a guaranty surplus and special reserve fund must so state on every policy issued by it.

**IMPAIRMENT**—Limit of impairment permitted, twenty-five per cent of capital, or deposits of foreign companies.

**INVESTMENTS PRESCRIBED**—Insurance Laws, Sec. 32. " \* \* \*

Except as otherwise provided by law, the funds of every domestic company shall be invested in, or loaned upon, one or more of the following kinds of securities or property, and under the restrictions and conditions herein specified, viz.: 1. Bonds or treasury notes of the United States, national or State bank stock, interest bearing bonds or certificates of indebtedness at market value of this or any other State, or of any city, town, or county in this or any other State, or of the Dominion of Canada or any province thereof, having legal authority to issue the same, at market value, subject in every case to the same limitations and restrictions, according to the last assessment for taxation, which exists in this State upon issue of securities by such or like municipalities at the date of the investment. 2. Notes or bonds, approved by the Commissioner, secured by first mortgage on improved real estate in this or any other State, worth at least twice the amount loaned thereon, not including buildings unless insured by policies payable to and held by the security holder. 3. Stocks or bonds at market value, approved by the Commissioner, upon which stock interest or dividends of not less than three per cent have been regularly paid for three years immediately preceding the investment of any public service corporation incorporated by or under the laws of the United States, or any State, or the Dominion of Canada, or any province thereof. \* \* \* 5. Promissory notes maturing within six months, secured by the pledge within six months, secured by the pledge of registered terminal warehouse receipts issued against grain deposited in terminal warehouses as defined in Sec. 4435, Revised Laws of Minnesota for 1913. At the time of investing in such notes the market value of the grain shall exceed the indebtedness secured

thereby, and the note or pledge agreement shall provide that the holder may call for additional like security or sell the grain without notice upon depreciation of the security. The insurance company may accept, in lieu of the deposit with it of the warehouse receipts, a trustee certificate issued by any national or State bank at a terminal point, certifying that the warehouse receipts have been deposited with it and are held as security for the notes. The amount invested in the securities mentioned in this subdivision shall not at any time exceed twenty-five per cent of the capital stock of the company. 6. Loans on pledge of any such securities, but not exceeding eighty per cent of the market value of stocks and ninety-five per cent of the market value of bonds specified in subdivisions 1 and 3, and in all loans reserving the right at any time to declare the indebtedness due and payable when in excess of such proportion or upon depreciation of security." Ins. Laws, Sec. 40. "The real estate acquired or held by any domestic company for the convenience and accommodation of its business shall not exceed in value twenty-five per cent of its cash assets; nor shall any foreign company acquire or hold for like purposes real property in this State in greater proportion. All other real estate shall be disposed of within five years after title thereto is acquired, unless the company obtains a certificate from the Commissioner that its interests will be materially prejudiced by such sale, and extending the time to a date named, and then within the time so specified." Law of April 21, 1909. "Any domestic insurance company authorized to transact the business of fire insurance or fire and marine insurance, and lawfully transacting business in any foreign state or country, may invest its funds in the bonds or other equivalent obligations issued by the national government of such foreign state or country, and for the payment of which the faith and credit of such foreign state or country is pledged." Whenever the laws of the State require a deposit from a company this may be made in Federal Farm Loan Bonds.

**LICENSED BROKERS**—Chap. 195, Laws of 1915, Sec. 4. "Whosoever, not being the appointed agent or officer of the insuring company, acts for another person, firm or corporation, or in any manner aids another person, firm or corporation, for compensation or profit, in effecting or in procuring insurance, or in placing or securing insurance or in the purchase of insurance; or whoever, not being the appointed agent or officer of the insuring company, procures a policy of insurance to be issued to or on behalf of another person, firm or corporation, or procures insurance to be effected or placed for, or on behalf of another person, firm or corporation, at the request of or with the consent of such other person, firm or corporation, and collects, receives or accepts in money, or other thing of value, or gives credit for, the whole or any part of any premium, policy fee or assessment on or for such policy of insurance, and does not forthwith pay or deliver the whole thereof over to the company or its agent entitled thereto issuing



such policy or effecting such insurance, shall be deemed an insurance broker." Brokers must secure licenses expiring annually on March 1.

**LICENSES TO PLACE INSURANCE IN UNAUTHORIZED COMPANIES**—Persons may be licensed to procure policies of unauthorized companies. Such persons must file a bond, as below, and render statements June 30 and December 31. Ins. Laws, Sec. 383. "**\* \* \*** He or they shall give bond to the Commissioner in such sum as he shall deem reasonable, with satisfactory resident sureties, conditioned that the obligors, on the expiration of a license to obtain such insurance, shall pay to the Commissioner, for the use of the State, a tax of two per cent upon the gross premiums paid by such licensee." Failure to file affidavit and statement, or making false statement, is punished by revocation of license, and constitutes a gross misdemeanor.

**LIMIT ON A SINGLE RISK**—Ins. Laws, Sec. 42. "**\* \* \*** No fire company shall insure or reinsure in a single risk a larger sum than one-tenth of its net assets." Sec. 36. "**\* \* \*** If any of them (president and directors) insures or allows to be insured on a single risk a larger sum than is authorized by law, he shall be personally liable for any loss thereon above the amount which might lawfully be insured." "Net assets" shall mean that portion of the excess of the entire assets over its entire liabilities, exclusive of capital and inclusive of policy liability, available for the payment of its obligations, including capital stock in this State, and including as assets deferred premiums on policies written within 3 months and actually in force, and in case of a mutual marine or fire and marine company, its subscription funds and premium notes not more than 30 days past due and uncollected."

**LLOYDS**—Ins. Laws, Sec. 223. "Associations of individuals, citizens of the United States, whether organized within this State or elsewhere within the United States, formed upon the plan known as Lloyds, whereby each associate underwriter becomes liable for a proportionate part of the whole amount insured by a policy, may be authorized to transact insurance other than life in this State in such manner and on such terms as the Insurance Commissioner may direct, providing that if such organization shall be possessed of cash on hand and securities of the underwriters satisfactory to the Insurance Commissioner, after deducting all liabilities except insurance reserve to the amount of not less than \$250,000.00, and in addition thereto shall be possessed of guaranteed subscriptions or other securities of the underwriters satisfactory to the Insurance Commissioner to an amount of not less than \$250,000.00, making a total of \$500,000.00 so possessed, and if the net cash on hand shall be equal to the reinsurance reserve calculated on a basis of 50 per cent of the premiums in force on policies running one year or less from date of policy, and a prorata amount on policies running more than one year from date of policy, except upon inland and marine risks, which shall be computed by charging 50 per cent of the amount of premium written in its policies upon yearly risks and

upon risks covering more than one passage not terminated, and the full amount of premiums written in policies upon all other inland and marine risks not terminated, and such other reserves as may be required by law and the Insurance Commissioner, and if evidence shall be furnished to the Insurance Commissioner that the underwriters are men of good financial standing, responsible for their obligations, and that the organization does not issue policies of insurance on any one risk in greater sums than one-fifth of the aggregate of the cash paid in the aforesaid securities and the subscriptions of the several underwriters or the amount to which they may become liable, unless the excess shall be provided for by reinsurance, the Commissioner shall license them under similar requirements as are made and prescribed in this act for the admission of foreign mutual fire insurance companies so far as the same may reasonably apply. Said association of individuals known as Lloyds are herein expressly authorized to transact insurance known as "sprinkler leakage insurance."

**MARINE INSURANCE REQUIREMENTS**—A fire company may write marine or automobile insurance if it has the requisite amount of capital (see "Capital Required"). An agent may solicit all lines of insurance which the company he represents is authorized to transact in Minnesota. A broker may solicit all lines of insurance, which must be placed through a licensed agent.

**MISCELLANEOUS**—Discrimination in premium rates between risks of the same class within the State, is prohibited. Immaterial misrepresentations do not void policies. Companies are forbidden to insure for more than the fair value of insured property. Removal of suits to Federal courts is prohibited. See "Guaranty Surplus and Special Reserve Funds." Ins. Laws, Secs. 275-278, provide for the insuring of public buildings by the State. Formation of new companies and sale of stocks under strict supervision of the State Securities Commission. Permission is given by a law of 1917 to fire and marine companies to write bombardment, explosion and war risk insurance, with civil commotion and other kinds of insurance now written by fire and marine companies.

**MUTUAL COMPANIES**—See "Domestic Companies." Mutual marine companies must have guarantee agreements amounting to at least \$300,000. Mutual companies maintaining a guaranty reserve fund equal to capital stock required of a fire insurance company may issue policies without a contingent liability.

**PRELIMINARY DOCUMENTS**—Company must file certified copy of its charter and statement showing financial standing and business; foreign companies must file certified copy of charter; appointment of Insurance Commissioner for acceptance of service of process; financial statement; certified copy of deed of trust; certified copy of power of attorney to United States manager; certificate of compliance; certificate of deposit; acceptance of provisions of the law. Every foreign corporation for pecuniary profit is required by Ins. Laws, Secs. 493, 494, 495, of the Revised Laws of

Minnesota for 1905 to maintain a public office in the State; to appoint an attorney to receive service of process in the county in which said office is located; to file a copy of his appointment with the Secretary of State; to file with the Secretary of State a certified copy of its charter, and a statement showing the proportion of its capital stock represented by its property located and business transacted in the State; and to pay into the State Treasury \$50 for the first \$50,000 or fraction thereof of such proportion of capital stock, and \$5 for every additional \$10,000 or fraction thereof of such proportion of capital stock. "In determining the proportionate share of the capital stock upon which license fees shall be paid as aforesaid, the business of said corporation transacted in and out of this State during the year immediately preceding the filing of its articles or certificates as above provided for, shall be considered and shall control." The certificate issued upon compliance with these requirements holds good for thirty years. Penalty for non-compliance, fine of \$1,000. Minimum fee, \$52.

**PUBLICATION**—Annual statement must be published in a legal newspaper, in the place of the company's home office, if within the State, otherwise in each of the three most populous counties of the State, and in all cases at least three times, and in a daily newspaper conforming to the requirements of Ins. Laws, Sec. 58, which will accept and publish such advertisement, at the rates prescribed by law for legal publications, if there be one, but if not, then in a weekly newspaper having a general circulation in the county of its publication. By an amendment of 1919 publication in insurance trade journal which has been published at least ten years is permitted. Publishers' affidavit must be filed. Statement for publication must be prepared by the Insurance Commissioner. Proof of publication must be filed with the Insurance Commissioner by May 1, or the latter will have publication made at the company's expense.

**RATING BUREAU TO BE MAINTAINED**—Every company must maintain or be a member of a rating bureau to be maintained by pro rata assessments on members and fees of \$50. Rates of only one bureau may be used for one risk or class of risks. Provision is made for review of rates before Commissioner and the courts. Bureaus are under the supervision of Commissioner. Companies must file copies of rate agreements with the Commissioner.

**RECIPROCAL INSURANCE**—G. S., 1913, Sec. 3360—"Individuals, partnerships and corporations of this State, hereby designated subscribers, are hereby authorized to exchange reciprocal or inter-insurance contracts with each other or with individuals, partnerships and corporations of other States and countries providing indemnity among themselves from any loss which may be insured against under other provisions of the laws excepting life and marine insurance."

Contracts may be executed by an attorney acting for such subscribers. Subscribers must make the declaration set forth by law; that applications

have been made for insurance upon at least one hundred separate risks aggregating at least \$1,500,000, must deposit with the attorney for payment of losses not less than \$25,000. Insurance Commissioner must be appointed as agent for service of process. No subscriber can assume on any single risk more than ten per cent of his net worth. The reserve fund in cash or convertible securities must equal one-half the net annual deposits collected and credited to the accounts of the subscribers on policies for one year or less in force, and pro rata on others. This reserve fund shall at no time be less than \$25,000. An annual report must be made showing the exchange's condition, not later than March 1. Attorney filing annual report shall pay as an annual license fee two per cent of the gross premium or deposits of the subscribers, deducting all amounts returned to subscribers or credited to their accounts, and shall further pay a filing fee of two dollars.

**RETALIATORY LAW**—Ins. Laws, Sec. 382. "Whenever by the laws of any other State or country, any taxes, fines, penalties, licenses, or fees, in addition to or in excess of those imposed by the laws of this State upon foreign insurance companies and their agents doing business in this State, are imposed on insurance companies of this State and their agents doing business in such State or country, or wherever any conditions precedent to the right to do business in such State are imposed by the laws thereof, beyond those imposed upon such foreign companies by the laws of this State, the same taxes, fines, penalties, licenses, fees and conditions precedent shall be imposed upon every similar company of such State or country and their agents doing or applying to do business in this State, so long as such foreign laws remain in force." The tax for support of salvage corps is payable absolutely, without regard to the provisions of this section.

**REINSURANCE**—Ins. Laws, Sec. 42. "If any company other than life shall, directly or indirectly, effect the reinsurance of any risk taken by it, or any part thereof, it shall make a sworn report thereof to the Commissioner, at the time of filing its annual statement, or at such other time as he may request." Sec. 381. "\* \* \* Whenever it (a foreign company) effects reinsurance otherwise than through such (resident) agents, the entire tax thereon shall be paid by the original company, and no reduction shall be made on account of such reinsurance." Companies effecting reinsurance must maintain a reserve required by the State either itself or in the company accepting the reinsurance.

**REINSURANCE RESERVE**—The reinsurance fund must be maintained at fifty per cent of the aggregate premiums on policies for one year or less, and pro rata on policies running more than one year, except upon inland and marine risks, upon which shall be charged fifty per cent of the amount of premiums written in such policies upon yearly risks and upon risks covering more than one passage not terminated, and the full amount of premiums written in policies upon all other inland and marine risks not terminated. A company having less than \$200,000

capital, and licensed in Minnesota to transact fire business only, must reserve the full amount of premiums on marine and inland navigation and transportation risks. Mutual fire insurance companies with contingent liabilities must maintain a reinsurance fund of twenty-five per cent of the aggregate premiums on policies running one year or less and fifty per cent of the pro rata amount on policies running more than one year.

**RESIDENT AGENTS**—Ins. Laws, Sec. 381. "No foreign company shall make its insurance contracts upon lives, property or interests in this State except through lawfully constituted and licensed resident agents."

**SEMI-ANNUAL STATEMENTS**—None required.

**STANDARD POLICY**—The use of the Minnesota form is required. "Every company and every agent who shall wilfully make, issue or deliver a policy in violation of Sec. 204 (which prescribes the use of the standard policy) shall be guilty of a gross misdemeanor; but every stipulation of such policy in favor of the insured shall, nevertheless, be binding upon the company issuing the same." Policy is not voided by unintentional misrepresentation. No policy shall be issued for a longer term than five years. The Insurance Department has approved certain clauses for use in connection with the Standard Policy form. Tornado insurance rider must not be attached to a fire policy.

**TAXES**—Two per cent of gross direct premiums received in the State, less return premiums on direct business, payable to State Treasurer on or before April 30. In the case of a domestic company, this tax is in lieu of all other taxes, except taxes upon real property owned by it in the State; and in the case of a foreign company, it is in lieu of all other taxes except upon real or personal property owned by it in the State, a tax of two and one-half per cent on gross premiums for the support of a salvage corps in any city wherein such a corps is maintained, and a tax of three-eighths of one per cent to defray the expense attached to the Fire Marshal's office. No credit allowed for reinsurances, but no charge is made for reinsurance premiums received. See "Retaliatory Law." Penalty for refusal to pay taxes or fees, ten per cent and one per cent additional for each month during which tax is unpaid.

**TAX STATEMENTS**—Included in annual statements.

**VALUED POLICY**—See "Anti-Coinsurance."

### COUNTY TAXES AND FEES.

None.

### MUNICIPAL TAXES AND FEES.

**DULUTH**—~~Fire Insurance Patrol, two per cent on premiums.~~

**MINNEAPOLIS**—~~Salvage Corps and Fire Patrol, two per cent on gross premiums.~~

**ST. PAUL**—~~Fire Insurance Patrol, two per cent on gross premiums.~~

**CALENDAR—MINNESOTA.****On or before**

- |                               |           |   |
|-------------------------------|-----------|---|
| <b>March</b>                  | <b>1</b>  | Company license must be procured.<br>Agents' licenses must be procured.<br>Obtain Commissioner's abstracts of statement for publication.                    |
| <b>Feb.</b>                   | <b>1</b>  | Annual statement must be filed by fire companies (February 15<br>by other companies). Time may be extended to March 1.<br>Tax statement included in annual. |
| <b>April</b>                  | <b>30</b> | Premium tax is payable.   |
| <b>April (1st<br/>Monday)</b> |           | Fire marshal tax is payable.<br>Statement must be published.<br>Copies of rate agreements must be filed.  |
| <b>May</b>                    | <b>1</b>  | Proof of publication of statement must be filed.  |

# MISSISSIPPI

## STATE REQUIREMENTS.

**ADJUSTERS' LICENSES**—An adjuster must secure a license expiring March 1, annually; fee, \$25 per year.

**AGENTS DEFINED**—Sec. 2615. "Every person who solicits insurance on behalf of any insurance company, or who takes or transmits other than for himself, an application for insurance, or a policy of insurance, to or from such company, or who advertises or otherwise gives notice that he will receive or transmit the same, or who shall receive or deliver a policy of insurance of any such company, or who shall examine or inspect any risk, or receive, collect or transmit any premium of insurance, or make or forward a diagram of any building, or do or perform any other act or thing in the making or consummation of any contract of insurance for or with any such insurance company, other than for himself, or who shall examine into or adjust or aid in adjusting any loss for or on behalf of any such insurance company, whether any of such acts shall be done at the instance or request or by the employment of the insurance company, or of or by any broker or other person shall be held to be the agent of the company for which the act is done or the risk is taken as to all the duties and liabilities imposed by law." Penalty for knowingly procuring, by fraudulent representations, payment or obligation for payment of premium, fine of \$100 to \$500, or imprisonment for not more than one year. The agent is also personally liable for contracts unlawfully made. Penalty for soliciting, etc., without a license, fine of \$200 to \$500, or imprisonment one to two years, or both.

**AGENTS' LICENSES**—Agents must procure certificates, renewable annually March 1, from the Insurance Commissioner. Penalty for acting as agent without a license or for unauthorized company, fine of \$100 to \$500; for failure to exhibit license on demand, fine of \$10. Applications for licenses must be made by company officers, under seal, before March 1. See "Taxes." Each officer of an agency corporation, and each employee soliciting business for such corporation, must have a license. License required for each member of a firm.

**ANNUAL STATEMENTS**—Must be filed by March 1, under penalty of \$100 for each day's neglect. Penalty for making false statement, \$500 to \$1000.

**ANTI-COINSURANCE**—Use of coinsurance clause forbidden under penalty of \$200 to \$1000. According to a decision of the Supreme Court, Mississippi (May, 1915), a three-quarter value coinsurance clause may be attached to a policy covering real property, household and kitchen furniture, and other personal property not named in the valued policy law, if property named in the valued policy law is specified, exempted from the application of such clause.

**ANTI-COMPACT**—While the law formerly in force, which related to combinations of fire insurance companies for the purpose of fixing rates, was repealed, it was held by the State Auditor that the Act of March 12, 1900, which was a general law against trusts, combines, etc., included insurance companies. A law which went into effect October 1, 1906, repealed the law of 1900, but virtually re-enacted it. Anti-trust law of 1906 was amended in 1912. The right of an insurance company to use rates made by an advisory rating company is being tested in the courts.

**ANTI-DISCRIMINATION**—See "Resident Agents" (Sec. 2654).

**ATTORNEY**—The Insurance Commissioner and some resident or residents of the State must be authorized to accept service of legal process.

**CANCELLATION OF POLICY**—No requirement as to notice to insured. Mortgagee must be given ten days' notice.

**CAPITAL REQUIRED**—An outside company must have at least \$100,000 of actual capital. A domestic fire company must have at least \$50,000, and a domestic marine company at least \$25,000. Companies to insure mechanics' tools may be formed with \$10,000 capital.

**COMMISSIONS TO NON-RESIDENTS**—The law is construed as requiring that a resident agent must receive the full commission, but is at liberty to make proper division of same with outside brokers if he so desires, after receiving the commission. Insurance of non-residents written through other-State brokers or agents is specifically exempted from this requirement. Commissioner states that resident agent must be paid full commission. See "Resident Agents."

**DEPOSIT**—Foreign companies must have at least \$100,000 deposited in some State of the United States, invested as per "Investments Prescribed."

**DOMESTIC COMPANIES**—Sec. 2578. "The proposed corporators, a majority of whom must be residents of the State and not less than ten, shall subscribe articles of association setting forth their intention to form a corporation; its proposed name must not so closely resemble the name of an existing corporation doing business under the laws of this State as to be likely to mislead the public, and must be approved by the Commissioner; the class or classes of insurance it proposes to transact and on what business plan or principle; the place within the State of its location, and, if on the stock plan, the amount of its capital stock. The words 'Insurance Company' must be a part of the title of any such corporation." After meeting and organization, certified copies of the articles of association, etc., must be submitted to the Insurance Commissioner for his approval. On issuance of a certificate of approval the Commissioner shall collect a fee of \$25. Capital must be paid in within twelve months, and no policies shall be issued until capital is all paid in.

**EXAMINATIONS**—Commissioner may examine any company whenever he deems it prudent to do so, and shall examine each domestic company at least as often as once in two years. A "foreign" company shall only be



examined when, upon request of the Commissioner of Mississippi, the Insurance Commissioner of the State of the domicile of such company shall refuse or fail to furnish the information called for. Penalty for refusal to exhibit books or papers, fine or imprisonment, or both. Chap. 69, Sec. 2564. "Before granting a certificate of authority to any insurance company the Commissioner shall be satisfied by examination that it is qualified under the laws of the State to transact business therein, and as to its financial ability and condition as often as once in two years he shall personally, or by deputy or agent, carefully examine the affairs of each domestic company."

**FEES**—Each fire insurance company (except domestic companies paying ad valorem taxes) must pay a license fee of \$200 (pro rated for portion of year, if issued after March 1); marine company, \$200. Fee for certificate of authority to each general or district agent or manager, \$3 (including seal); for certificate of authority to each local or canvassing agent, \$2 (including seal); filing and examining statement preliminary to admission, \$20; mutual companies, \$10; filing and auditing annual statement, \$10; for copy of annual statement and certificate thereto, \$5; filing any other paper required by law, \$1; for each certificate of examination, condition or qualification of company or association, \$2; for each seal when required, \$1; service process upon Insurance Commissioner as attorney, \$2; for each examination of domestic company, \$25 and actual expenses incurred; for each examination of foreign company, \$25 per diem and actual expenses incurred; for copy of any record paper, 10 cents per hundred words and \$1 for certifying same; for organization certificate of domestic company, \$25; for recording change of capital, \$5; for filing copy of charter, \$20; for license to deal with unauthorized companies, \$20; designation of Insurance Commissioner for service of process, \$1; for each agent in a city of 2000 inhabitants or more, \$30; city of less than 2000, \$15. Adjuster's license, \$25. Fees payable to Insurance Commissioner. See "Taxes." See "Publication."

**FIRE DEPARTMENT TAX**—No provision.

**FIRE MARSHAL**—Provision is made for the investigation of fires of suspicious origin, a tax of one-fifth of one per cent being levied on gross premiums to cover the expense of such investigations.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—None required.

**GENERAL PENALTY**—A company's license may be revoked for any violation of law. For any violation of law not specifically provided for, a person may be fined not more than \$500.

**IMPAIRMENT**—None permitted under penalty of revocation of license. Impairment not exceeding twenty-five per cent may be made good within three months.

**INVESTMENTS PRESCRIBED**—A domestic company may invest in real estate, at cost of not more than twenty-five per cent of its cash assets, for

the convenient accommodation of its business. Capital may be invested by domestic companies in first mortgages on Mississippi real estate; United States or State bonds not selling below par, or in loans secured by such bonds as collateral; bonds or notes of any city, county or town of Mississippi, whose net indebtedness does not exceed six per cent of taxable values, or in any such bonds selling at a premium, or in loans secured by such bonds as collateral; real estate, not exceeding twenty-five per cent of company's net assets (except when taken under foreclosure, or for a debt); stocks of banks and trust companies which are worth a premium. A fire company must have \$50,000 invested in the first three classes of securities before investing in others, and must not invest more than fifteen per cent of its assets in such stocks. Accumulations of domestic companies may be invested in United States, State, county or city bonds, and real estate mortgages. A license will be refused any company of any State or country which prohibits the investment of assets other than capital in Mississippi State bonds.

**LICENSED BROKERS**—Sec. 2609. "The Insurance Commissioner, upon the annual payment of a fee of \$20, may issue licenses to citizens of this State, subject to revocation at any time, permitting the person named therein to act as agent to procure policies of fire insurance on property in this State in foreign insurance companies not authorized to transact business in this State. Before the person named in such license shall procure any insurance in such companies on any property in this State he shall, in every case execute and file with the Commissioner an affidavit, which shall have force and effect for one year only from the date thereof, that he is unable to procure, in companies admitted to do business in this State, the amount of insurance necessary to protect said property, and shall only procure insurance under such license after he has procured insurance in companies admitted to do business in this State to the full amount which said companies are willing to write on said property; provided, that such licensed person shall not be required to file such an affidavit if one covering the same property has been filed within the twelve months next preceding, by any broker licensed as authorized by this chapter, nor to offer any portion of such insurance to any company which is not possessed of cash assets amounting to at least twenty-five thousand dollars, or one which has, within the preceding twelve months, been in an impaired condition. Each person so licensed shall keep a separate account of the business done under the license, a certified copy of which account he shall forthwith file with the Insurance Commissioner, showing the exact amount of such insurance placed for any person, firm or corporation, the gross premiums charged thereon, the companies in which the same is placed, the date of the policies and the term thereof, and also a report in the same detail of all such policies canceled, and the gross return premiums thereon, and before receiving such license shall execute and deliver to the said Commissioner a bond in the penal sum of two thousand dollars, with such

sureties as the Commissioner shall approve, with the condition that the licensee will faithfully comply with all the requirements of this section, and will file with the said Commissioner in January of each year a sworn statement of the gross premiums charged for insurance procured or placed and the gross return premiums on such insurance canceled under such license during the year ending on the 31st day of December next preceding, and at the time of filing such statement will pay into the Treasury of the State a sum equal to four per cent of such gross premiums less such return so reported. The penalty for making a false statement shall be forfeiture of license, and a fine of not less than one hundred dollars and not more than five hundred dollars, or imprisonment for not more than one year, or both." Property owners must file reports of business placed with unlicensed companies and pay tax of three per cent of premiums thereon, and fee of \$1 on each policy. Failure to make such statement renders offender liable to a fine of from \$250 to \$1,000.

**LIMIT ON A SINGLE RISK**—One-tenth of net assets. Mutual companies, \$1,500 net.

**LLOYDS**—Act of April 13, 1910. Sec. 1. "That it shall be lawful for any corporation, partnership, individual, association or organization known as Lloyds, to solicit, sign, issue, deliver and to execute policies of insurance, contracts and guaranties against loss by fire, water, lightning or tornado; and to rate, inspect and classify risks, plants and buildings, and to adjust losses in this State when authority has been obtained from the Insurance Commissioner; and when all the laws as far as applicable relating to fire and marine insurance companies have been complied with. The taxes and fees are hereby fixed at the rate provided for stock, fire and marine insurance companies." Sec. 2. "The words fire and marine insurance company or fire and marine insurance corporation used in the insurance laws of Mississippi as far as applicable are defined to include all corporations, partnerships, individuals, associations or organizations known as Lloyds engaged in placing, writing or soliciting any and all kinds of fire and marine insurance." Sec. 3. "All corporations, partnerships, individuals, associations or organizations known as Lloyds, engaged in the business of fire or marine insurance in this State, without first complying with all of the requirements of law as far as applicable relating to fire and marine insurance, shall be liable for all of the pains and penalties for any violation thereof, and shall be proceeded against as provided by the code chapter on insurance and the laws since enacted in relation thereto. Each and every stockholder, partner or subscriber to a contract of fire or marine insurance indemnity shall be deemed a local agent for the service of process, except in cases where an agent is named, in writing, to the Insurance Commissioner." See "Reciprocal Insurance."

**MISCELLANEOUS**—Business shall be done in each company's proper corporate name, and policies shall be headed therewith. Fire insurance companies may also transact sprinkler leakage insurance. Over-insurance and

policies for longer than five years are prohibited. After a fire, the company must supply the insured with proof of loss blanks, and, after doing so, give him reasonable time in which to prepare proof. Companies must give prompt notice of fire losses to the Insurance Commissioner, and must not pay a loss in less than one week after a fire, without the Commissioner's permission. Mortgagee's interest is not invalidated by any act of mortgagor, if the former, on demand, pays the premium in case of neglect to do so by the mortgagor, and gives the company notice of any change of ownership or occupancy. Mortgagee is entitled to ten days' notice of cancellation. An adjuster for an unauthorized company acting for the latter in Mississippi shall be fined \$200 to \$500 or imprisoned six months to two years, or both. Penalty for removing a suit to a United States court, or for non-payment, within thirty days, of a judgment of a State court, revocation of license for three years. Sec. 2 of the Bulk-Sales Law of 1908 reads as follows: "That in case of the destruction of a stock of merchandise by fire upon which there is insurance against such loss, the holder of such insurance policies shall, within five days after such loss, notify his creditors to whom he is indebted for merchandise, of his loss and the amount of insurance carried, and no policy or policies of insurance shall be transferred or assigned for ten days after such notice, nor shall any such insurance be paid for fifteen days next after the occurrence of any such fire." Companies are forbidden to purchase or acquire stock, franchise, plant or equipment of any other competing corporation doing business in Mississippi. New company promotions are under supervision of Insurance Commissioner.

**MUTUAL COMPANIES**—Not less than twenty persons (a majority residents of Mississippi) may form a mutual company. Name must contain the word "mutual" and not be similar to that of any existing company. Such company may insure against loss or damage to property and loss of use and occupancy by fire, lightning, hail, tempest, flood, earthquake, frost, snow, explosion (fire ensuing) and explosion (no fire ensuing), except explosion caused by steam boiler or fly-wheel; against loss or damage by water caused by breakage or leakage of sprinklers, etc.; against accidental injury to sprinklers, etc.; against the risks of inland transportation and navigation; upon automobiles, including, in addition to risks above specified, those of transportation, collision, liability for property damage, burglary and theft (but excluding bodily injury). To secure a license a company must have at least twenty subscribers for insurance upon not less than 200 separate risks, no risk exceeding twenty per cent of admitted assets, or three times the average risk, or one per cent of insurance in force, whichever is greatest, and must have collected premiums equal to not less than twice the maximum single risk, nor less than \$10,000. Policy must express amounts of cash and contingent premium. Company having surplus equal to capital required of a stock company may write insurance for a solely cash premium. Unearned premium reserve must be main-

tained on same basis as domestic stock company. Outside mutual companies may be licensed upon practically the same terms as stock companies.

**PRELIMINARY DOCUMENTS**—Company must file a copy of its charter, certificate of organization, and a verified financial statement. Foreign companies must file certificate of deposit and charter of company with the Insurance Commissioner. The Commissioner must certify to the clerk of Chancery Court of each and every county an abstract of each annual statement and a list of all companies authorized, at the expense of the companies. Every company must file a sworn declaration that it will not reinsure any Mississippi risk in an unauthorized company, except as provided in amendment to Sec. 2607. Certificate of compliance with laws of company's home State required annually, when applying for license; charter and power of attorney to Insurance Commissioner for service of process need be filed but once.

**PUBLICATION**—Statement must be published in one newspaper in the State; cost of publication, \$9, to be placed by Insurance Department and paid for by the companies; also \$2 for slips for filing with Chancery clerks. Any advertisement showing assets must also exhibit liabilities, under penalty of \$50 to \$200. Foreign mutual company may, in lieu of publication, mail a copy of its annual statement before July 1 to each policyholder in Mississippi.

**RECIPROCAL INSURANCE**—Sec. 2559, Code of 1906, as amended, and which does not appear to have been repealed, provided that the exchange of private contracts between members should not be construed as doing insurance business. However, it provided for taxing subscribers' credits as of February 1, and imposed a \$100 license fee upon the attorney. A law of 1918 provided for the suing of inter-insurance exchanges and the appointment of the Insurance Commissioner as attorney to accept service of process.

**RECIPROCAL LAW**—None.

**REINSURANCE**—Sec. 2607. "Whenever an application for license, for renewal of license or for admission to this State, is made by a company, whether of this State or another State of the United States, or of a foreign country, for the transaction of business of fire insurance herein, such company shall, as one of the prerequisites of admission, file a sworn declaration signed by its president and secretary, or officers corresponding thereto, that it will not reinsure any risk or part thereof taken by it on any property located in Mississippi with any company not authorized to transact the business of fire insurance in this State; provided, that when all efforts have been exhausted and fail to place the entire line of needed reinsurance on any one risk in companies authorized to do business in this State which have representatives in the community authorized to bind such companies, at the same rate as offered by other solvent companies, the excess may be written in companies not thus authorized. In all such cases an affidavit

shall be filed by the company, or its agent, within one month from date of placing such reinsurance, with the Insurance Commissioner of this State, giving complete list of the companies applied to for reinsurance, with the amounts accepted by each of those authorized to do business in the State, and a list also of the companies writing the excess herein provided for, with the amounts written by them respectively, and this affidavit shall be open for public inspection; provided, further, that companies shall not be required to offer any portion of the needed reinsurance to any company which is, or has within the preceding twelve months been in an impaired condition. Reinsurance premiums paid to companies authorized to do business in Mississippi may be deducted from gross premiums in the semi-annual tax returns, when affidavits are furnished from such authorized reinsuring companies that the amounts so deducted are included in their own semi-annual tax returns, and are paid on by the authorized reinsuring company." Sec. 2608. "Every fire insurance company now or hereafter admitted shall annually, and at such other times as the said Commissioner may require, in addition to all the terms now, by law, required of it, or its agents or managers, make a return to the Insurance Commissioner in such form and detail as may be prescribed by him of all reinsurance contracted for or effected by it directly or indirectly, upon property located in Mississippi, such return to be sworn to by its president and secretary, if a company of any other State of the United States, and if a company of a foreign country, by its president and secretary, or by officers corresponding thereto, as to reinsurance as aforesaid contracted for, or effected through the foreign office, and by the United States manager as to such reinsurance effected by the United States branch, and if any company, domestic or foreign, shall directly or indirectly reinsure any risk taken by it on any property located in Mississippi in any company not duly authorized to transact business herein, except as hereinbefore provided, or if it shall refuse or neglect to make the returns required by this section, the said Commissioner shall revoke its authority to transact business in this State." See "Licensed Brokers." Reinsurance policies need not be countersigned by local agents. Penalty for violation, fine of \$500.

**REINSURANCE RESERVE**—"Actual unearned portion of the premiums written in its policies. Each company transacting a fire, marine, inland, \* \* \* insurance business, \* \* \* in this State, shall be required to set aside as a legal reserve to protect the holders of its policy contracts in this State the pro rata unearned portion of the premium paid for such contract, to be held until termination of such contracts." Mutual companies must set aside annually 10 per cent of all cash received as premiums until they have accumulated 40 per cent of the unearned premiums in force.

**RESIDENT AGENTS**—Law of 1916, Sec. 1. "No fire, fire marine, accident health, employers' liability, steam boiler, plate glass, fidelity, surety, burglary or other insurance company, except life insurance companies, not incorporated under the laws of this State, authorized to transact business

herein, shall make, write, place or cause to be made, contracts of insurance of any kind or character, or any general or floating policy upon persons or property in this State, except after the said risk has been approved, in writing by a local agent who is a resident of this State, regularly commissioned and licensed to transact insurance business herein, who shall countersign all policies so issued or contracts of insurance and receive the full commission thereon, when the premium is paid, to the end that the State may receive the taxes required by law to be paid on the premiums collected for insurance on all persons and property situated in this State. Provided, however, that the provisions of this act shall not apply to individuals, firms and corporations indemnifying themselves through reciprocal contracts and not employing local agents. No provision of this section is intended or shall be so intended to direct insurance covering the rolling stock of railroad corporations or property in transit while in the possession and custody of railroad corporations or other common carriers." Sec. 2. "Any company wilfully failing to observe or comply with the provisions of the preceding section thereof shall be subject to and liable to pay a penalty of five hundred dollars (\$500) for each violation thereof, and for each failure to observe and comply with the foregoing section. Such fine may be recovered and collected in any action brought in the name of the State in any court having jurisdiction thereof." Sec. 2654. "That it shall be unlawful for any agent of a fire insurance company to sign any blank policy of insurance, and any agent violating the provisions of this section shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined for each offense not less than \$100. nor more than \$200. It shall also be unlawful for any person, agent, firm or corporation, licensed by the Insurance Commissioner, to act as a fire insurance agent in this State, to pay directly or indirectly any commission, brokerage or other valuable consideration on account of any policy or policies covering property in this State, to any person, agent, firm or corporation not duly licensed by the Insurance Commissioner of this State as a fire insurance agent; provided, that insurance covering property within the State owned by non-residents and controlled by brokers or other agents duly licensed by other States, may be written, and for violation of this provision the Insurance Commissioner shall revoke such agent's license for all companies for not less than three nor more than six months for first offense, and for one year for second offense." Complaint filed by any citizen of Mississippi that any company authorized to do business in the State has violated any of the provisions of this act, shall be investigated by the Insurance Commissioner, who may, if necessary, repair to the head office of such company to further investigate the matter, provided that before making any examination which would require the Insurance Commissioner to go to a foreign State, the latter shall require the party or parties making complaint to file with him a good and sufficient bond to secure any expense or costs that may be necessary in making such examination. If upon examination the com-

plaint is not substantiated, complainant shall be held responsible for any and all expenses incurred in making said examination, but in the event of the company being found guilty of violation of any of the provisions of this act, then the expenses incurred shall be borne by the company, and should said company refuse to pay the expenses of examination, upon presentation of bill, the Insurance Commissioner shall at once institute proceedings against said company for recovery of same, and for that purpose may attach any of the property of the said company to be found within the jurisdiction of the court before which such proceedings are heard. See "Commissions to Non-Residents."

SEMI-ANNUAL STATEMENTS—See "Tax Statements."

STANDARD POLICY—No provision.

TAXES—Two and three-fourths per cent on gross earnings less return premiums. See "Reinsurance." "Domestic insurance companies shall not be required to pay a greater tax in the aggregate than is required to be paid by foreign insurance companies doing business in this State, except to the extent of their *ad valorem* tax over the privilege tax imposed upon such foreign companies. No privilege tax shall be paid by such domestic companies, and no tax collected on their premium receipts, but at the end of each calendar year, such companies shall make a sworn statement to the Insurance Commissioner of the total tax paid during the year, including State, county and municipal, and if such amount be less than is required of foreign companies on the same amount of business, the said Commissioner shall then collect such part of the privilege tax and premium tax imposed on foreign companies as will make the tax on the domestic companies equal thereto." Tax on mutual companies is based upon gross premiums received for direct insurance, less cancellations and refunds of premiums. Domestic mutuals are exempt from fees and taxes, except the one-fifth per cent tax on premiums and the charter filing fee. Agents procuring policies of unauthorized companies pay four per cent on gross, less return premiums. Fire marshal tax, one-fifth of one per cent on gross premiums, "to be collected by said Commissioner as other taxes on insurance companies are collected." Each license issued to a fire insurance corporation or association, or to any company or association of companies operating a distinct plant of agencies in the State, \$200; license to a marine company, \$200. Each agent in cities of 2000 and over pays an annual privilege tax of \$30; over 7500, \$50; in cities of less than 2000, \$15. Each member of a firm is liable for this tax. Incorporated agencies pay \$100 per annum in cities of 3000 or over, or \$50 in smaller cities. "No person who would otherwise be considered an agent shall be exempt from the privilege tax placed on insurance agents by this section by reason of the fact that he is a stockholder or officer in an incorporated agency." Each fire insurance adjuster must pay a privilege tax of \$25, and no municipality shall levy any further privi-



lege tax on said calling. No county or municipal authority shall levy a privilege tax on any insurance company or association, but, under the law, has the right to assess insurance agents fifty per cent of the privilege tax paid by the agent. The Yazoo-Mississippi Delta Levee Board also requires the payment of taxes as follows: \$100 upon each fire or marine insurance company; \$100 for an incorporated insurance agency in a city of over 3000 inhabitants, and \$50 for such an agency in a town of less than 3000 inhabitants; \$30 for a fire insurance agent in a city of 2000 or more inhabitants, and \$15 for any other fire insurance agent; \$25 for a fire insurance adjuster. The levee district consists of these counties: Desoto (part), Tunica, Coahoma, Sunflower, Tallahatchie (part), Quitman, Yazoo (part), Leflore and Holmes (part).

**TAX STATEMENTS**—Sec. 2625. "Every general agent shall, within the first thirty days of January and July of each year, make a full and correct statement, under oath of himself and of the president, secretary or some officer at the home or head office of the company in this country, of the amount of gross receipts derived from the insurance business under this chapter obtained from residents of the State or on property located therein during the preceding six months, and shall, within the first fifteen days of February and August of each and every year pay to the Commissioner the tax hereinafter provided, upon the amount of such receipts returned." See "Licensed Brokers."

**VALUED POLICY**—Sec. 2592. "No insurance company shall knowingly issue any fire insurance policy upon property within this State for an amount which, together with any existing insurance thereon, exceeds the fair value of the property, nor for a longer term than five years. When real property or buildings, household or kitchen furniture, insured against loss by fire and situated within this State are totally destroyed by fire, the company shall not be permitted to deny that the property insured was worth, at the time of the issuing of the policy, the full value upon which the insurance is calculated, and the measure of damage shall be the amount for which the property was insured. No insurance company or agent thereof shall be permitted to insert or attach a co-insurance clause, three-quarter value clause, to a policy of this kind, and any fire insurance company or agent thereof who violates this act shall be guilty of a misdemeanor and shall, upon conviction, be fined not less than \$200 nor more than \$1,000 for each offense. In case of a partial loss or damage by fire to real property or buildings or personal property, the measure of damage shall be an amount equal to the damage done the property not to exceed the amount written in the policy." Amended 1912 to foregoing.

#### COUNTY TAXES AND FEES.

Any county may assess an agent operating therein 50 per cent of the State privilege tax. Companies do not pay county privilege taxes.

**ALCORN**—For each agent, \$30, payable first month issued.

BOLIVAR—For each agent, \$15, payable upon some commencing business.  
GRENADA—For each agent, \$30, payable May 1.  
HARRISON—For each agent, \$30, payable upon commencing business.  
HINDS—For each agent or firm, \$15, payable May 1.  
HOLMES—For each agent, \$15.  
JACKSON—For each agent, \$30; payable May 1.  
LAFAYETTE—For each agent, \$30, payable on commencing business.  
LAUDERDALE—For each agent, \$30, payable upon commencing business.  
LEE—For each agent, \$30.  
MONROE—For each agent, \$30.  
NOXUBEE—For each agent, \$15, payable upon commencing business.  
PRENTISS—For each agent, \$15.  
SUNFLOWER—For each agent, \$15.  
WARREN—For each agent, \$30.

#### MUNICIPAL TAXES AND FEES.

(Municipalities may assess agents' privilege taxes equal to fifty per cent of State tax, but such tax can only be assessed by one municipality. Companies do not pay municipal privilege taxes.)

ABERDEEN—For each agent, \$2.50.  
AMORY—For each agent, \$15, payable before June 1.  
BAY ST. LOUIS—For each agent, \$15, payable May 1.  
BILOXI—For each agent, \$15 (each member of a firm), payable date of commission.  
BROOKHAVEN—For each agent, \$5.  
BROOKSVILLE—For each agent, \$7.50; payable May 1.  
CANTON—For each agent, \$12.50.  
CLARKSDALE—For each company, \$50; for each agent, \$15, on beginning of business.  
CLEVELAND—For each agent, \$7.50, payable upon commencing business (license required for each member of firm).  
COFFEEVILLE—For each agent, \$7.50, payable May 1.  
COLUMBIA—For each agent, \$7.50, payable May 1.  
COLUMBUS—For each company, \$15.  
CORINTH—For each agent, \$15, payable annually from date of application.  
CRYSTAL SPRINGS—For each agent, \$7.50, payable May 1.  
DURANT—For each agent, \$7.50, payable April 1. Each member of a firm must procure a license.  
ELLISVILLE—For each agent, \$28.  
FRIAR'S POINT—For each agent, \$7.50, payable March 1.  
GLOSTER—For each agent, \$7.50, payable May 1.  
GREENVILLE—For each agency, \$30, payable May 1.  
GREENWOOD—For each company, \$25.  
GRENADA—For each agent, \$15.  
GULFPORT—For each agent, \$15, payable upon commencing business. (Each

- member of a firm is required to secure a license.)
- HANDBORO—For each agent, \$2.50, payable November 1.
- HATTIESBURG—For each agent, \$15, payable May 1.
- HAZLEHURST—For each agent, \$10, payable March 1.
- HOLLY SPRINGS—For each agent, \$15, payable May 1.
- INDIANOLA—For each agent or for each member of a firm, \$7.50, payable March 1.
- ITTA BENA—For each agent, \$5.
- JACKSON—For each company, \$15; for each agent, \$7.50; covers one year from date issued.
- LAUREL—For each agent, \$15, payable date of issue.
- LEXINGTON—For each agent, twenty-five per cent of State fee, payable May 1.
- LOUISVILLE—For each agent, \$15.
- LUMBERTON—For each agent, \$12, payable March 1.
- MACON—For each agent, \$7.50, payable upon commencing business.
- McCOMB CITY—For each agent, \$15; payable June 1.
- MERIDIAN—For each agent, \$40, payable annually.
- MOSS POINT—For each agent, 25 per cent of privilege tax paid to county and State, payable May 1.
- NATCHEZ—For each agency, \$15, payable from date of issue.
- NEW ALBANY—For each agent, \$15, payable May 1.
- NEWTON—For each agent, \$7.50.
- OCEAN SPRINGS—For each agent, \$7.50, payable May 1.
- OKALONA—For each agent, \$7.50.
- OXFORD—For each agent (each member of a firm), \$15, for one year from date.
- PASCAGOULA—For each agent, \$15 per annum, payable May 1.
- PASS CHRISTIAN—For each agent, \$7.50, payable in May.
- PONTOTOC—For each agent, \$7.50; payable April 30.
- PORT GIBSON—For each agent, \$15, payable May 1.
- ROSEDALE—For each agent, \$7.50.
- STARKVILLE—For each agent, \$7.50, payable in May.
- SUMMIT—For each agent, \$10, payable March 1.
- TUPELO—For each agent, \$15, 1st of month upon commencing business.
- TUNICA—For each agent, \$5; license required for each member of firm.
- UTICA—For each agent or firm, \$7.50, payable May 1.
- VAIDEN—For each agent, twenty-five per cent of State fee.
- VICKSBURG—For each agent, \$15, payable January 1.
- WATER VALLEY—For each agent, \$15; incorporated agency, \$50.
- WESSON—For each agent, \$7.50; payable annually upon commencing business.
- WEST POINT—For each agent, \$15, payable annually on date of first license.
- WINONA—For each agent, \$15.

**YAZOO CITY**—For each agent, \$12.50, payable March of each year.

**CALENDAR—MISSISSIPPI**

**On or before**

- |              |           |   |
|--------------|-----------|---|
| <b>Jan.</b>  | <b>30</b> | Semi-annual tax statement must be filed.  |
| <b>Feb.</b>  | <b>15</b> | Premium tax is payable. Fire marshal tax is payable.  |
| <b>March</b> | <b>1</b>  | Agents' and adjusters' licenses must be procured. Annual statement must be filed. Company license must be secured. Certificate of compliance must be filed. Statement must be published; fee payable to Insurance Department. |
| <b>July</b>  | <b>30</b> | Semi-annual tax statement must be filed.  |
| <b>Aug.</b>  | <b>15</b> | Premium tax is payable. Fire marshal tax is payable.  |
| <b>Sept.</b> | <b>1</b>  | Yazoo—Mississippi Board tax is payable.   |

# MISSOURI.

## STATE REQUIREMENTS.

**AGENTS DEFINED**—Sec. 7052. "Any person or persons in this State who shall receipt for any money on account of or for any contract of insurance made by him or them, for any insurance company or association not at the time authorized to do business in this State, or who shall receive or receipt for any money from other persons, to be transmitted to any such insurance company or association, either in or out of this State, for a policy or policies of insurance issued by such company or association, or for any renewal thereof, although the same may not be required by him of them as agents, or who shall make or cause to be made, directly or indirectly, any contract of insurance for such company or association, shall be deemed, to all intents and purposes, an agent of such company or association, and shall be subject to all the provisions and regulations and liable to all the penalties provided and fixed by this chapter. \* \* \*

**AGENTS' LICENSES**—Local agents and solicitors must have certified copies of company's authority to transact business as their agents. One license may be issued to a firm of two or more members. Reciprocal provision applies. Certificates expire annually February 1. Penalty for acting as agent without authority, or for an unauthorized company, a fine of \$10 to \$100, or imprisonment for ten days to six months, or both. Incorporated agencies cannot be licensed as such.

**ANNUAL STATEMENTS**—Must be filed during January. (See also "Anti-Compact," "Foreign Companies Home Office Statements" and "Tax Statements.") Classification of business is required to be filed annually on or before March 1.

**ANTI-COINSURANCE**—Sec. 7022. "Whenever there is a partial destruction or damage to property covered by insurance, it shall be the duty of the party writing the policies to pay the assured a sum of money equal to the damage done to the property, or repair the same to the extent of such damage, not exceeding the amount written in the policy, so that said property shall be in as good condition as before the fire, at the option of the insured." The insurance companies contended that this section was repealed by implication by the law of March 18, 1911 (see "Anti-Discrimination" and "Rating Schedules to Be Filed"), but the courts hold that it is still in force. Sec. 7023, which prohibited the use of coinsurance clauses, is believed by the Insurance Commissioner to be repealed by implication in Sec. 7030 of law of 1919, which follows: Provided that on any policies issued upon property, real or personal, or real and personal, there may be attached a coinsurance clause, and provided further, that when a coinsurance clause is attached to any policy, a reduction in rate shall be given therefor, in accordance with coinsurance credits that are now or may hereafter be filed as a part of the public rating record in the office of

Superintendent of Insurance in this State, by fire insurance companies, that have been or shall hereafter be approved by the Superintendent of Insurance. Provided further that in all suits brought upon policies of insurance against loss or damage by fire hereafter issued or renewed, the defendant shall not be permitted to deny that the property insured thereby was worth at the time of the issuing of the policy the full amount insured therein on said property covering both real and personal property, and provided further that nothing in this section shall be construed to repeal or change the provisions of Sec. 7020 of the Revised Statutes of 1909.

**ANTI-COMPACT**—The Insurance Department states that the sections quoted below by the act of the Legislature of 1915, Sec. 17, are expressly left in force. "Any person who shall create, enter into, become a member of or participate in any pool, trust, agreement, combination, confederation or understanding with any other person or persons to regulate, control, or fix the price of any article of manufacture, mechanism, merchandise, commodity, convenience or repair, or any product of mining, or any article or thing whatsoever, of any class or kind bought and sold, or the price or premium to be paid for insuring property against loss or damage by fire, lightning or storm, or to maintain said price when so regulated or fixed, or shall enter into, become a member of or participate in any pool, trust, agreement, contract, combination, confederation or understanding to fix or limit the amount or quantity of any article of manufacture, mechanism, merchandise, commodity, convenience, repair, any product of mining, or any article or thing whatsoever, of any class or kind bought and sold, or the price or premium to be paid for insuring property against loss or damage by fire, lightning or storm, shall be deemed and adjudged guilty of a conspiracy in restraint of trade, and be punished as provided for in this act." Sec. 10,301. "All arrangements, contracts, agreements, combinations or understandings made, or entered into between any two or more persons, designed or made with a view to lessen, or which tend to lessen, lawful trade, or full and free competition in the importation, transportation, manufacture or sale in this State of any product, commodity or article, or thing bought and sold, of any class or kind whatsoever, including the price or premium to be paid for insuring property against loss or damage by fire, lightning or storm, and all arrangements, contracts, agreements, combinations or understandings made or entered into between any two or more persons which are designed or made with a view to increase, or which tend to increase, the market price of any product, commodity or article or thing of any class or kind whatsoever bought and sold, including the price or premium to be paid for insuring property against loss or damage by fire, lightning or storm, are hereby declared to be against public policy, unlawful and void; and any person or persons creating, entering into, becoming a member of or participating in such arrangements, contracts, agreements, combinations or understandings shall be deemed

and adjudged guilty of a conspiracy in restraint of trade, and punished as provided for in this article." (The word "person" is defined to include natural persons, partnerships, associations of persons and corporations.) Penalty for violation, \$500 to \$5000 fine, or by imprisonment not exceeding five years, or both. A very comprehensive affidavit of compliance is required annually by the Secretary of State. In relation to the anti-trust law, the Secretary of State states that "in so far as the penalty section of the laws is concerned it appears to only apply to the State of Missouri, but so far as the general law applies to pools and trusts it seems to be extra-territorial. The law prescribes the form of the affidavit which the company is required to make and this office has no authority to accept an affidavit in form other than is prescribed by the statute." Sec. 10313-a. "In any proceeding against or prosecution of any insurance company under the provisions of this article, it shall be prima facie evidence that such company is a member of a pool, trust, agreement, confederation or understanding to control, effect or fix the price or premium to be paid for insuring property against loss or damage by fire, lightning or storm, if it be shown that such company or any agent or representative thereof, in writing insurance, has used any insurance rate, or made use of or consulted any rate book, paper or card containing any insurance rate, prepared, published, kept or furnished by any person, association of persons or bureau employed by, representing or acting on behalf of any other insurance company or association in and about the making and publishing of insurance rate for use in any portion of this State." Attorney-General holds Sec. 10313-a to be illegal and void. Under the law of March 27, 1913, each company must register annually before July 1 with the Secretary of State, its correct corporate name and address, and the name and address of its president and secretary, and if a foreign corporation, of its principal agent in Missouri. It must file with the Secretary of State when registering, an affidavit that it is not violating the anti-trust law, and must pay to the State a fee of \$5, if it registers within thirty days after July 1, or \$10 if it registers between August 1 and October 1.

**ANTI-DISCRIMINATION**—Discrimination not permitted; governed by a law of 1915. See Anti-Compact Law. Rating Law prohibits deviations from published rates.

**ATTORNEY**—The Superintendent of Insurance must be authorized to accept service of legal process. In the case of unauthorized companies, service may be made upon any person who solicits business for or otherwise acts in behalf of such company.

**CANCELLATION OF POLICY**—No requirement as to notice to insured.

**CAPITAL REQUIRED**—Company must have at least \$200,000 paid-up capital.

**COMMISSIONS TO NON-RESIDENTS**—Commission may be divided only with licensed agents or brokers. Commission can be paid licensed foreign broker on business placed through resident agents.

**DEPOSIT**—Foreign companies must have \$200,000 on deposit in one of the United States, invested in securities as listed under "Investments Prescribed," which see. None required of American companies.

**DOMESTIC COMPANIES**—Sec. 6995. "Any number of persons, not less than thirteen in number, a majority of whom shall be citizens of this State, may associate and form an incorporation, association or company for the following purposes, to wit: First, to make insurance on houses, buildings, merchandise, furniture and all kinds of property, against loss or damage by fire, lightning, hail and windstorm; to make all kinds of insurance on automobiles and all other cars and vehicles, ships, steamboats and other vessels and their freight and cargoes, and also on goods, merchandise, produce and all other kinds of property in the course of transportation, whether by land or water, and to lend money on bottomry and respondentia." Amended to provide that companies confining their licenses to insurance on automobiles may insure owners thereof against liability for damage ensuing from ownership or operation thereof. Superintendent of Insurance has supervision over companies in process of formation.

**EXAMINATIONS**—Sec. 6889. "The Superintendent of the Insurance Department shall examine and inquire into all violations of the insurance laws of the State, and examine the financial condition, affairs and management of any insurance company incorporated by or doing business in this State, and inquire into and investigate the business of insurance transacted in this State, and require any company, its officers, agents, employees or attorneys, or other persons, to produce, and may examine all its assets, contracts, books and papers; may compel the attendance before him, and may examine, under oath, its directors, officers, agents, employees, solicitors, attorneys, or any other person, in reference to its condition, affairs, management or business, or any matter relating thereto; may administer oaths or affirmations, and shall have power to summon and compel the attendance of witnesses, and to require and compel the production of records, books, papers, contracts or other documents by attachment, if necessary; and shall have the right to punish for contempt, by fine or imprisonment, or both, any person failing or refusing to obey any such summons or order of said Superintendent. The Superintendent may accept, in lieu of an examination by himself, or by his authority, a certificate of an examination, accompanied by a statement of all the facts in the case made by the Insurance Commissioner or Superintendent of another State, of a company organized under the laws of such State. \* \* \* Any person testifying falsely in reference to any matter material to said investigation, examination or inquiry shall be deemed guilty of perjury, and in addition to the punishment for contempt, in refusing to attend or to answer, or to produce books and papers, any person who shall refuse to give such Superintendent full and truthful information, and answer in writing to any inquiry or question made in writing by said Superintendent in regard to the business of insurance carried on by such person, or to appear and testify



under oath before such Superintendent in regard to the same, shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine of not exceeding \$500, or imprisonment not exceeding three months; and any director, officer, manager, agent or employee of any insurance company, or any other person, who shall make any false certificate or entry or memorandum upon any of the books or papers of any insurance company, or upon any statement or exhibit offered, filed or offered to be filed in the Insurance Department of the State, or used in the course of any examination, inquiry or investigation, with intent to deceive the Superintendent of the Insurance Department, or any person employed or appointed by him to make any examination, inquiry or investigation, shall, upon conviction, be punished by a fine of not exceeding \$1000, and by imprisonment not less than two months in the county or city jail, nor more than five years in the penitentiary."

**EXCESS INSURANCE IN UNLICENSED COMPANIES—Sec. 7045.**

"The Superintendent of Insurance, however, may issue to an agent who is regularly commissioned to represent one or more fire or fire and marine or storm insurance companies, authorized to do business in this State, a certificate of authority to place excess lines of insurance in companies not admitted to do business in this State: Provided, however, that the party desiring such excess of insurance shall first file an affidavit with the Superintendent of Insurance that he has exhausted all the insurance obtainable from authorized companies." Sec. 7046. "Every agent so licensed shall report, under oath, to the Superintendent of Insurance on the first day of June and December of each year the amount of premiums obtained by him for such excess insurance, and shall pay the said Superintendent a tax of five per cent thereon; and he shall also file an approved bond with the said Commissioner in the sum of \$1000 for the faithful observance of the above provisions, and a prompt discharge of his duties therein." Propertyowners may be licensed to deal with unauthorized companies on filing a reasonable bond for payment of two per cent tax on premiums, and paying a fee of \$10. Penalty for violations of the law, fine of \$100. See also "Licensed Brokers."

**FEES**—Filing declaration, required on organization of each company, \$50; filing copy of charter and preliminary statement, \$50; issuing license to company, \$1; filing annual statement, \$30; filing supplementary annual statement, \$10; filing power of attorney and all other papers, \$10; agents' or solicitors' license, \$2; certificate of authority for inter-insurance exchange, \$20; copies of papers on file, 20 cents per folio, and affixing seal, \$1; broker's license, \$10; license to place insurance in unauthorized companies, \$10. Fees payable to Superintendent of Insurance. Registration fee, \$50, to be remitted to Secretary of State, payable to State Treasurer. See "Anti-Compact."

**FIRE DEPARTMENT TAX**—Governed by municipal provision.

**FIRE MARSHAL**—No provision.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—Must be filed when called for by the Superintendent.

**IMPAIRMENT**—Sec. 7077. "If at any time the Superintendent of the Insurance Department shall ascertain that the capital stock or guarantee fund of an insurance company doing business in this State is impaired, or that its liabilities exceed its available assets, he may, either before or after revoking or suspending its license or authority to act, or before or after instituting proceedings against it, notify and require said company to make good its deficiency; for that purpose he may grant it a reasonable time within which to make good such impairment or deficiency, and may take such steps as shall seem to him best adapted to secure the interests of the policyholders and creditors of such company. \* \* \*

**INVESTMENTS PRESCRIBED**—Domestic companies may invest their capital in treasury notes or bonds of the United States or of Missouri, or in funded bonds of any county or municipal township of Missouri, or bonds issued by any school district or drainage district of the State of Missouri, or in bonds and mortgages or deeds of trust on unincumbered real estate, situate in any of the States of the United States worth at least double the amount loaned thereon. The reserve and surplus funds may be invested in notes, secured by deed of trust on lands in any State of the United States (such real estate to be worth at least 50 per cent more than the amount loaned thereon) and in bonds of any county or municipality or drainage district in any State of the United States.

**LICENSED BROKERS**—Sec. 7049. "Whoever for compensation acts or aids in any manner in negotiating contracts of insurance or reinsurance, or placing risks or effecting insurance or reinsurance for any person other than himself, and not being the appointed agent or officer of the company in which such insurance or reinsurance is effected, shall be deemed an insurance broker, and no person shall act as such insurance broker, save as provided in this section. Such certificate shall remain in force one year, unless revoked." Brokers may secure licenses to deal with authorized companies by paying an annual fee of \$10. Penalty for violation, fine of \$100. See "Excess Insurance in Unlicensed Companies." Brokers' licenses may be issued to natural persons only, under an opinion of the Attorney-General.

**LIMIT ON A SINGLE RISK**—No provision.

**LLOYDS**—Sec. 7041. "No individual or association of individuals, under any style or name, shall be permitted to do the business mentioned in this chapter within the State of Missouri, unless he or they shall first fully comply with all the provisions of the laws of this State governing the business of insurance. \* \* \*" See "Reciprocal Insurance."

**MISCELLANEOUS**—Fire insurance companies may insure against loss by leakage of sprinklers or other fire extinguishing apparatus. For removing to, or instituting in, a Federal court, a suit brought by or against a citizen

of Missouri, a company shall have its license revoked. Failure of company to furnish insured with blank forms for proof of loss, etc., waives right to require such information. Judgment for attorneys' fees against insurance company when losing case. (Rev. St., 1889, Sec. 5927, and 1899.)

**MUTUAL COMPANIES**—Sec. 7009. "No company formed upon the mutual plan for the purpose of doing the fire and marine business designated in the first of the three classes of insurance named in Sec. 6995 shall, unless the company is to be formed with a guarantee fund, commence to do business until agreements have been entered into for insurance with at least 200 applicants, the premiums on which shall amount to not less than \$100,000, of which thirty per cent at least, upon each and every premium, shall have been paid in cash, and until notes of solvent parties, founded on actual and bona fide applications for insurance, shall have been received for the remainder. No one of the premium notes received as aforesaid, nor afterward received by any mutual company, whether organized with or without a guarantee fund, shall amount to more than \$500, and no two shall be given for the same risk or made by the same person or firm, except when the whole amount of such notes shall not exceed \$500; nor shall any note be regarded or represented as forming a part of the premiums required of mutual companies on their organization, unless a policy be issued upon the same within thirty days after said company shall have received its certificate of authority from the Superintendent to do business and issue policies, upon a risk which shall not be for a shorter period than six years." Companies writing risks only in a single line of industry may take notes for not more than five annual cash premiums, but such annual cash premium shall not exceed \$500 each; and no policy shall be written for longer than five years. Provision is also made for the organization of county, farmers' and town mutual insurance companies.

**PENALTIES**—For acting for an insolvent company, a fine of \$50 to \$500. Company transacting business without license is liable to fine of \$250 for each offense, and court fees. For permitting a judgment to remain unpaid fifteen days, revocation of license, or suspension during default. Any person acting for company suspended is liable to fine of \$500 for each offense. General penalty, a fine of \$50 to \$500.

**PRELIMINARY DOCUMENTS**—Certified copy of charter, copy of last annual statement, copy of financial statement or supplementary statement, certificate from its resident State Department of the legality to do business, and certificate showing amount of capital stock fully paid up; certificate from Department that Missouri companies would be treated on same basis by that State; copy of appointment of company's general agent. Foreign companies must file copy of charter to be executed at general or head office of the company under seal of that office, certified by State officer having custody of original; certificate of compliance; certificate of deposit; certificate of appointment of general agent, unless the United States manager shall act as general agent for this State; document executed under

seal of head office, and signed by chief officer of the company, the president and secretary, showing the appointment of person designated by company as its manager in United States, with full authority and power to said manager set forth in appointment; appointment of Superintendent for acceptance of process. Application for company's license must be signed by its president, secretary, general agent or manager, and must be filed before license can issue. Certificate of compliance with laws of company's home State must be filed yearly with annual statement.

**PUBLICATION**—No requirement.

**RATING BUREAUS TO BE MAINTAINED**—The law of 1911, regarding the filing of rating schedules, was repealed in 1913. In 1915 a law was enacted similar to that of Iowa, permitting companies to maintain or be members of rating bureaus. The Superintendent of Insurance is empowered to remove discriminations and to order reductions in rates, as a whole or by classes, when facts developed in formal hearing justify such action.

**RECIPROCAL INSURANCE**—Law of 1915 provides for the licensing of reciprocal or inter-insurance exchanges, which must have at least 75 members, with \$1,500,000 of insurance in force and \$25,000 on deposit with attorney available for payment of losses. Service of process on Superintendent of Insurance to be binding upon all subscribers. Provision is made for filing statements maintaining reserves, etc.

**RECIPROCAL LAW**—Sec. 7033. "Whenever the laws of any other State of the United States or of any foreign country shall require of or impose upon companies not organized under the laws of such State or country any further or greater licenses, fees, taxes, deposits or securities, statements or certificates of authority, or require any other duties or acts or inflict any greater fines or penalties than are by the laws of Missouri imposed or inflicted upon or required of companies not organized under the laws of this State, then it shall be the duty of the Superintendent of the Insurance Department of this State to require from every company of such other State or country transacting, or seeking to transact, the business of insurance in this State, the payment of all licenses, fees, taxes, fines or penalties, and the making of all deposits of securities, and statements, and the doing of all acts which, by the laws of the State or country in which said company was organized, are in excess of the licenses, fees, taxes, deposits, statements, fines, penalties, acts or duties required by the laws of this State of companies of other States."

**REINSURANCE**—No express prohibition of reinsurance in unauthorized companies, but no credit is allowed on taxes for such reinsurances.

**REINSURANCE RESERVE**—Fifty per cent of premium on unexpired risks having one year or less to run, and a pro rata of all term risks. Marine reserve, gross premiums on outstanding risks. Inland reserve, fifty per cent, as for fire.

**RESIDENT AGENTS**—Sec. 7047. "Foreign companies admitted to do business in this State shall make contracts of insurance upon property or inter-

est therein, only by lawfully constituted and licensed resident agents, who shall countersign all policies so issued. And any such company which shall violate any provision of this section shall suffer a revocation of its authority by the Superintendent of Insurance to do business in this State, in addition to the penalty prescribed in Sec. 7054, such revocation to be for the term of one year."

**SEMI-ANNUAL STATEMENTS**—None required.

**STANDARD POLICY**—Sec. 7030. Law of 1919 provides that each fire insurance company shall file with the Superintendent of Insurance form of policy for use in this State covering the responsibilities of the companies as well as the duties of the assured, to be known as the Missouri Fire Insurance Policy and no form of policy not approved by the Superintendent shall be used. Blank notice shall be attached to each policy with the address of the company to be used by the assured in case of loss within ninety days thereafter. The presence of an adjuster of the company upon the scene of loss shall be considered as notice upon the company.

**TAXES**—Sec. 7098. "The property of all insurance companies organized under the laws of this State shall be subject to taxation for State, county, municipal and school purposes, as provided in the general revenue laws of this State in regard to taxation and assessment of insurance companies. Every such company or association shall make returns, subject to the provisions of said laws: First, of all the real estate held or controlled by it; second, of the net value of all its other assets or values in excess of the legally required reserve necessary to reinsure its outstanding risks and of any unpaid policy claims, which net values shall be assessed and taxed as the property of individuals; provided, that the premium notes held by fire insurance companies organized on the mutual plan shall not be returned as assets; and, provided, further, however, that nothing herein shall operate to exempt from such taxation the paid-up capital of such stock companies." Sec. 7099. "Every insurance company or association not organized under the laws of this State shall, as hereinafter provided, annually pay a tax upon the premiums received, whether in cash or in notes, in this State, or on account of business done in this State, for insurance of life, property or interest in this State, at a rate of two per cent per annum in lieu of all other taxes except as in this article otherwise provided. \* \* \* Provided, that fire insurance companies shall be credited with premiums on reinsurance with companies authorized and licensed to transact business in Missouri, which reinsurance shall be reported by the company reinsuring such business; but no credit shall be allowed any fire insurance company for reinsurance in companies not licensed to transact business in Missouri." Sec. 7104 as amended in 1919. "The agent or agents of any such insurance company doing insurance business in any city in this State having a population of more than 500,000 inhabitants, in addition to the tax on premiums as above provided for against such companies, shall also pay to the collector of the said city, if said city shall so declare by ordinance, on or before the

first day of February of each and every year, not more than the sum of \$200 for each such fire insurance company for the use of said city, which sum shall be considered in full for and in lieu of all taxes and licenses which said city may possess the power to impose on such agencies \* \* \*." Any such insurance company and any insurance agent doing insurance business in any city in this State having a population of more than one hundred thousand inhabitants and less than five hundred thousand inhabitants, in addition to the tax on premiums, also pay to the collector of said city, if said city shall so declare by ordinance, on or before the fourth day of January of each and every year, not more than the sum of two hundred dollars for each such fire insurance company. Credit is allowed for reinsurance with companies authorized in Missouri, and also for return premiums on canceled policies. Under the resident agents' law agents pay a tax of five per cent on premiums obtained for "excess lines of insurance" (see Sec. 7046, R. S. Mo., 1909); and a two per cent tax is imposed on all insurance effected in unauthorized insurance companies (see Sec. 7048, R. S. Mo., 1909). The two per cent and reciprocal taxes are payable to the State Treasurer yearly before May 1. Penalty for failure to pay taxes or fees, fine of \$50. Company is liable to have its certificate revoked. The five per cent tax is payable June 1 and December 1, to the Superintendent of Insurance.

**TAX STATEMENTS**—Must be filed on or before March 1. Taxes must be paid on or before May 1 to the State Treasurer.

**VALUED POLICY**—Sec. 7020. "In all suits brought upon policies of insurance against loss or damage by fire hereafter issued or renewed, the defendant shall not be permitted to deny that the property insured thereby was worth at the time of the issuing of the policy the full amount insured therein on said property; and in case of total loss of the property insured, the measure of damage shall be the amount for which the same was insured, less whatever depreciation in value, below the amount for which the property is insured, the property may have sustained between the time of issuing the policy and the time of the loss, and the burden of proving such depreciation shall be upon the defendant; and in case of partial loss the measure of damage shall be that portion of the value of the whole property insured, ascertained in the manner hereinafter prescribed, which the part injured or destroyed bears to the whole property insured." Sec. 7021. "When fire insurance policies shall be hereafter issued or renewed by more than one company upon the same property, and suit shall be brought upon any one of said policies, the defendant shall not be permitted to deny that the property insured was worth the aggregate of the several amounts for which it was insured at the time the policy was issued or renewed thereon, unless wilful fraud or misrepresentation is shown on part of the insured in obtaining such additional insurance; and in such suit the measure of damage shall be as provided in the preceding section: Provided, that whatever depreciation in value below the amount for which

the property is insured may be shown, as provided in the preceding section, shall be deducted from the amount insured in each policy, in the proportion which the amount in each such policy bears to the aggregate of all the amounts so insured on such property. This and the preceding section shall apply only to real property insured. Any condition in any policy of insurance contrary to the provisions of this article shall be illegal and void." A part of Sec. 7030 reads as follows: "No company shall take a risk on any property in this State at a ratio greater than three-fourths of the value of the property insured, and when taken, its value shall not be questioned in any proceeding." This was construed in the case of *Gibson vs. Missouri Town Mutual Insurance Company*, 82 Mo., App. 1. c. 521, as follows: "We interpret this statute to enjoin upon the insurance company not to take a risk at more than three-fourths of the value of the property insured, but that when the value is fixed and the risk taken on a given amount that sum cannot be questioned afterwards, though it should, in fact, be more than three-fourths of the value. So that the practical effect of the statute is to make a valued policy. It is practically the same, in this respect, as section 5897 of the general statute of 1889." (Sec. 5897 mentioned is Sec. 7020, above quoted, of R. S. of 1909.)

**WAIVER OF PROOFS OF LOSS.**—Failure to furnish blank forms for proof of loss is construed as constituting a waiver of proofs.

**WARRANTIES**—If not material to the risk, warranties in applications for fire insurance are considered as representations only.

### COUNTY TAXES AND FEES.

None.

### MUNICIPAL TAXES AND FEES.

**ASHGROVE**—For each agent, \$5.50, payable annually.

**ATLANTA**—For each agent, \$2, payable annually at expiration.

**AURORA**—For each company, \$10.75, payable annually.

**BELTON**—For each company, \$10.25, payable June 30.

**BETHANY**—For each agent, \$10, payable June 1.

**BEVIER**—For each agent, \$5.25.

**BISMARCK**—For each company, \$5.50; each agent, \$2.50, payable date of issue.

**BLOOMFIELD**—For each company, \$10; for each agent, \$5, payable when commencing business.

**BOGARD**—For each company, \$2, payable April 1.

**BOLIVAR**—For each company, ~~\$5~~, for each agent \$5, payable November 1.

**BOONVILLE**—For each agent or company, \$20.50, payable annually upon commencing business.

**BOWLING GREEN**—For each company, \$5.50; for each agent, \$5.50, payable semi-annually, January and July 1.

**BRECKENRIDGE**—For each company, \$2.

- BROOKFIELD**—For each company, \$5 per year ; for each agent, \$15, payable September 1.
- BROWNING**—For each company, \$7.50, payable January 1.
- BRUNSWICK**—For each company, \$5 ; for each agent, \$10, payable annually.
- BUCKLIN**—For each company, \$5.50 ; for each agent, \$5.50, payable Jan. 1.
- BUCKNER**—For each company, \$2, payable semi-annually, Jan. 1 and July 1.
- CALIFORNIA**—For each agent, \$10, payable January 1.
- CAMPBELL**—For each company, \$5 ; for each agent, \$5 to \$10, payable every six months, regardless of number of companies he represents.
- CANTON**—For each company, \$5.50, payable June 1.
- CAPE GIRARDEAU**—For each agent or firm, \$50, payable one year from date of issuance.
- CARDWELL**—For each company, \$7.50 ; for each agent, \$5.50, payable when due.
- CARL JUNCTION**—For each agent, \$5 per annum, payable quarterly, January 1, April 1, July 1 and October 1.
- CARTERSVILLE**—For each agent, \$25, payable January 1 or quarterly, January 1, April 1, July 1 and October 1.
- CARTHAGE**—For each company, \$10, payable annually, January 20.
- CARUTHERSVILLE**—For each company, \$7.50 ; for each agent, \$5.50, payable October 1.
- CENTER**—For each company, \$2.50 ; for each agent, \$5, payable on commencing business.
- CENTRALIA**—For each company, \$10.50 ; for each agent, \$5.50, payable July 1.
- CHAFFEE**—For each company, \$5.50 ; for each agent, \$2, payable quarterly in advance.
- CHARLESTON**—For each company, \$5 ; for each agent, \$3, payable February 1.
- CLARKSVILLE**—For each company, \$8, payable July 1.
- CLINTON**—For each company, \$12.25 ; agent or firm, \$7, payable on date of opening office.
- COLE CAMP**—For each company, \$5.50 ; for each agent, \$3, payable June 1.
- CRAIG**—For each company, \$10, payable January 1.
- CRANE**—For each agent, \$6, payable semi-annually, January 1 and July 1.
- CRYSTAL CITY**—For each company or agent, \$15, payable semi-annually, January 1 and July 1.
- CUBA**—For each company, \$3, payable semi-annually January 1 and July 1.
- DEEPWATER**—For each company, \$3.50, payable Sept. 1.
- DE SOTO**—For each company, \$10.50 ; for each agent, \$10.50 ; payable January 1
- DEXTER**—For each company, \$6 ; for each agent, \$3, payable October 1.
- DONIPHAN**—For each company, \$11 ; for each agent, \$6.
- EAST PRAIRIE**—For each company, \$5, payable September 1.



- EDINA—For each company, \$5.50 per year, payable semi-annually January 1 and July 1; fee for issuing each license, 25 cents.
- ELDORADO SPRINGS—For each agent, \$7.50, payable on commencing business.
- ELMER—For each company, \$5.
- ELSBERRY—For each company, \$6, payable annually.
- EIVINS—For each company, \$8.50, every six months.
- FARMINGTON—For each company, \$5.50; for each agent or firm, \$5.50, payable annually, February 1.
- FAYETTE—For each company, \$10, payable July 1.
- FESTUS—For each company, \$6.16.
- FRANKFORD—For each company, \$3.25 yearly, from time of beginning business.
- FREDERICKTOWN—For each agent, \$10.25, payable June 1.
- GARDEN CITY—For each agent, \$5.50, payable November 1.
- GILMAN CITY—For each company, \$2.25; for each agent, \$2.25, payable January 1.
- GLASGOW—For each company, \$5.25; for each agent, \$10.25, payable annually, January 1.
- GREENFIELD—For each agent, \$5, payable January 1.
- GREEN CITY—For each agent, \$3, plus clerk's fee, payable November 1.
- GREEN RIDGE—For each company, \$3 (not collected).
- GREENVILLE—For each agent, \$3; payable July 11.
- HAMILTON—For each agent, \$2.50, payable annually, March.
- HANNIBAL—For each company, \$50; for each agent, \$30, payable semi-annually, January 1 and July 1.
- HARDEN—For each company, \$5.25, payable March 1.
- HARRISONVILLE—For each company, \$5; for each agent, \$5 (also fee, 25 cents), payable September 1.
- HIGBEE—For each company, \$5, payable May 1.
- HIGGINSVILLE—For each company, \$5.50, payable November 1.
- HOLDEN—For each company, \$5.50; each agent, \$10.50, payable upon commencing business.
- HOUSTON—For each company, \$5, payable April 1.
- HUMANSVILLE—For each company, \$3.50; for each agent, \$3.50, payable November 1.
- HUNTSVILLE—For each company, \$5.50; for each agent, \$3, payable annually.
- INDEPENDENCE—For each company, \$15; for each agent, \$15, payable semi-annually, January 4, July 4.
- IRONTON—For each company, \$10; for each agent, \$5, payable annually.
- JACKSON—For each company, \$5.50, payable annually.
- JAMESPORT—For each company, \$2.25, payable annually, April 1.
- JASPER—For each company, \$5.

*25.00 fee for ante big money letter from Sec White 4/12/15*

**JEFFERSON CITY**—For each company, \$20.50; for each agent, \$10.50 per annum, payable date of beginning business.

**JERICO SPRINGS**—For each company \$2, each agent \$1, payable May 1.

**JOPLIN**—For each agency, \$60 per annum; for agency having one company, \$40; insurance adjuster, \$24 per annum, payable quarterly, February 1, May 1, August 1 and November 1. *includes permit fee 4/12/15*

**KANSAS CITY**—For each company, \$100 per annum for each agency, payable January 4. Fire Patrol assessment, 1½ per cent of net premiums.

**KEYTESVILLE**—For each company, \$7.50, payable April 1.

**KENNETT**—For each company, \$10.50; for each agent, \$25.50, payable upon commencing business.

**KING CITY**—For each company, \$2, payable August 31.

**KIRKSVILLE**—For each company, \$15.25; for each agent, \$5.25, payable July 1.

**KIRKWOOD**—For each agent, \$5, payable July 1.

**KNOBNOSTER**—For each company, \$2, payable July 1.

**LA GRANGE**—For each company, \$3.50, payable February 1.

**LA PLATA**—For each company, \$2.75; for each agent, \$10.25; payable Sept. 1.

**LAREDO**—For each company, \$5.

**LEBANON**—For each agent, \$2.50.

**LEE'S SUMMIT**—For each company, \$2.50; for each agent, \$2, payable October 1.

**LEXINGTON**—For each company, \$10.50, payable January 1.

**LIBERTY**—For each agent, \$10, payable July 1.

**LICKING**—For each agent, \$5, payable April 1.

**LINNEUS**—For each company, \$6, payable November 1.

**LOCKWOOD**—For each company, \$5; for each agent, \$3; payable July 1.

**LOUISIANA**—For each agent or firm, \$10.50, payable annually, August 14.

**MACON**—For each company, \$10; for each agent, \$10, payable April 1.

**MADISON**—For each company, \$1.25, payable on commencing business.

**MALDEN**—For each company, \$10.50, payable August 13.

**MANSFIELD**—For each company, \$2.75; each agent, \$1.25, payable semi-annually, May 1 and November 1.

**MARCELINE**—For each company, \$5; for each agent, 50 cents, payable January 1.

**MARSHALL**—For each company, \$10.50; for each agent, \$5, payable January 1.

**MARSHFIELD**—For each company, \$2.25; for each agent, \$2.25 per annum, payable semi-annually, January 1 and July 1.

**MAYSVILLE**—For each company, \$8, payable January 14.

**McFALL**—For each company, \$2.50; for each agent, \$2.75, payable Jan. 1.

**MEXICO**—For each company, \$15.50; for each agent, \$5.50, payable upon commencing business.

**MOBERLY**—For each company, \$10; for each agent, \$20, payable May 1.

**MONETT**—For each company, \$10.25 per annum, payable January 1, April 1, July 1 and October 1.

MONROE—For each agent, \$5, payable annually.

MONTGOMERY CITY—For each company, \$5; each agent, \$5, payable June 1.

MOREHOUSE—For each company, \$3; for each agent, \$3, payable January 1.

NEOSHA—For each agent, \$5; for each of first three companies, each additional, \$1; payable June 1.

NEVADA—For each company, \$10; for each agent, \$10, payable January 1.

NEW FRANKLIN—For each company, \$5.50, payable January 1.

NEW HAVEN—For each company, \$5.35; for each agent, \$5.35, payable July 1.

NEW LONDON—For each company, \$5.

NEW MADRID—For each company, \$5.50, payable May 1 and November 1.

NORBORNE—For each company, \$10; for each agent, \$5, payable Aug. 1.

NOVINGER—For each company, \$2.25.

ODESSA—For each company, \$6; for each agent, \$7.50; payable July 1.

ORAN—For each company, \$5.

ORONOGO—For each company or agent, \$10, payable quarterly, commencing January 1.

OSCEOLA—For each company, \$6; for each agent, \$6; payable January 1.

PACIFIC—For each agent, \$5.50, payable semi-annually, January 1 and July 1.

PALMYRA—For each agent, \$5, payable annually, January 1.

PARMA—For each company, \$6.50.

PEIRCE CITY—For each company, \$6.50; each agent, \$10.50, payable annually.

PERRY—For each agent, \$5.

PIEDMONT—For each company, \$5, payable upon commencing business.

PLATTSBURG—For each company, \$8.25; for each agent, \$10.75, payable annually from date of issue.

PLATTSMOUTH—For each company \$2.

PLEASANT HILL—For each company, \$5 per annum, payable semi-annually, January and July 1.

POPLAR BLUFF—For each agent, \$7.50; for each company, \$3, payable January 1.

POTOSI—For each company, \$5.50, payable August 16.

PUXICO—For each company, \$2.50.

QUEEN CITY—For each company, \$7.50.

RICH HILL—For each company, \$10, payable January 1.

RICHMOND—For each company, \$5.50; for each agent, \$5.50 per annum, payable semi-annually, January and July 1.

ROLLA—For each agent, \$11.

ST. CHARLES—For each company, \$15.25; for each agent, \$5.25, payable on commencing business.

STE. GENEVIEVE—For each company, \$10.

ST. JOSEPH—For each company, \$50 per annum, payable January 1; each individual agent, \$50.

- ST. LOUIS—For each company, \$200, payable April 1; Underwriters Salvage Corps, two per cent on net premiums.
- ST. MARYS—For each company, \$5.50, payable in August.
- SARCOXIE—For each agent, \$2 per year.
- SAVANNAH—For each company, \$10.50, payable May 1.
- SEDALIA—For each company, \$50; for each agent, \$25, payable June 1.
- SENATH—For each company, \$5.50.
- SENECA—For each company, \$2.50; for each agent, \$1, payable June 1.
- SEYMOUR—For each company, \$2.50, payable annually, July 1.
- SHELBINA—For each company, \$5; for each agent, \$5, payable July 1.
- SKIDMORE—For each agent, \$5.50, payable April 1.
- SLATER—For each company, \$3, payable June 1.
- SOUTH WEST CITY—For each company, \$5, payable May 5.
- STANBERRY—For each company, \$5.50, payable June 1.
- STEELVILLE—For each agent, \$5.50.
- SULLIVAN—For each company, \$1, payable January 1.
- SWEET SPRINGS—For each company, \$5.50; for each agent, \$5.50, payable June 1.
- THAYER—For each agent, \$5; payable January 1.
- TIPTON—For each agent, \$3, payable semi-annually, January 1 and July 1.
- TRENTON—For each agent, \$10, payable July 1 or on commencing business.
- TROY—For each company, \$4, payable March 1.
- VANDALIA—For each agent, \$4; for each company, \$4; payable February 1.
- VERSAILLES—For each company, \$10; for each agent, \$10 per annum.
- WARRENSBURG—For each company, \$13, payable June 1.
- WARRENTON—For each company, \$6, payable January 1.
- WARSAW—For each company, \$5, payable June 1.
- WASHINGTON—For each agent, \$5.50, payable July 1.
- WEBB CITY—For each agency, \$100 per annum, payable annually, Jan. 1.
- WEBSTER GROVES—For each agent, \$12; each company, \$12, payable July 1.
- WELLSVILLE—For each company, \$2.50; for each agent, \$5 (proposed), payable April 1.
- WESTMINSTER—For each agent, \$10, payable May 1.
- WESTON—For each agent or company, \$25, semi-annually, April and October.
- WILLOW SPRINGS—For each company, \$6.50, payable annually.
- WINDSOR—For each company, \$5.25; for each agent, \$5.25, payable April 1.

#### CALENDAR—MISSOURI

On or before

- Jan. 4 Municipal taxes in cities of 100,000 to 500,000, payable.
- Jan. 31 Annual statement must be filed. Company license must be obtained. Certificate of compliance must be filed.
- Feb. 1 Agents' licenses must be obtained.

Feb.	I	Municipal taxes in cities of 500,000 or more, payable.
March	I	Tax statement must be filed.
March	I	Classification of business to be filed.
May	I	Premium tax is payable.
July	I	Company must register with Secretary of State, correct name, etc. Affidavit of non-violation of anti-trust law must be filed with Secretary of State.

# MONTANA.

## STATE REQUIREMENTS.

**AGENTS DEFINED**—Sec. 4064 R.C. “\* \* \* The term agent or agents used in this chapter includes an acknowledged agent or surveyor or any other person or persons who in any manner, directly or indirectly, transact or aid in transacting the insurance business of any insurance company not incorporated by the laws of this State.” Acting as agent of unauthorized company constitutes a felony.

**AGENTS’ LICENSES**—Companies must annually secure certificates of authority for agents, which expire March 31. Applications for licenses must be made by company’s officers, under seal. Sub-agents must be licensed. One license is held to be sufficient in the case of a firm or company acting as agent. Acting for an unlicensed company is a felony. Licenses are transferable.

**ANNUAL STATEMENTS**—Must be filed within sixty days from December 31. Domestic mutual companies must report in January. These and tax statements only ones to be filed annually.

**ANTI-COINSURANCE**—No provision.

**ANTI-COMPACT**—No provision relating to insurance companies.

**ANTI-REBATE**—A law of 1903 forbids the making of any discrimination or distinction in favor of individuals between insureds or property of the same class in the amount of premiums or rates charged for policies, or in benefits, etc., under penalty of fine not exceeding \$500, and revocation of license for one year.

**ATTORNEY**—The Commissioner of Insurance must be appointed attorney, on whom service of legal process can be made.

**CANCELLATION OF POLICY**—No requirement as to notice to insured.

**CAPITAL REQUIRED**—Company must possess at least \$200,000 of capital. Domestic company may commence business with fifty per cent paid up in cash and the balance in subscription notes, which shall be paid up within two years from date of authorization.

**COMMISSIONS TO NON-RESIDENTS**—Commissions must be received by resident agents.

**DEPOSIT**—None required of American companies. Foreign companies must have at least \$100,000 on deposit in one of the United States for the benefit of all United States policyholders. (Auditor must be satisfied as to value; no law specifying character of securities.)

**DOMESTIC COMPANIES**—(Sec. 4042 R.C.). “When any number of persons associate themselves together for the purpose of forming an insurance corporation for any other purpose than life insurance, they shall publish a notice of such intention once a week for four consecutive weeks in a public newspaper in the county in which such insurance corporation is proposed to

be located; and they shall also make articles of incorporation, as provided in Sec. 403 of this Code, and forward to the State Auditor, who shall submit the same to the Attorney-General for examination, and if it shall be found by the Attorney-General to be in accordance with the provisions of this chapter, and not in conflict with the Constitution and laws of the United States and this State, he shall make a certificate of the facts and return it to the State Auditor, who shall reject the name or title applied for by any persons, when he shall deem the same so similar to any one already appropriated by any other company, as to be likely to mislead the public." Capital must be not less than \$200,000, nor more than \$1,000,000. One-half, at least, must be paid in cash, and the remainder in mortgages or approved collateral secured notes. There must be not less than three, nor more than thirteen directors. A company can transact but one class of insurance. (Sec. 4074 R.C.) "It is unlawful for any corporation organized upon the mutual plan to do business and take risk upon the stock plan, or for a corporation organized as a stock corporation to do business upon the plan of mutual insurance." Insurance Commissioner has supervision over companies in process of formation.

**EXAMINATIONS**—Act of February 13, 1909. Sec. 42. "The Commissioner of Insurance shall examine and inquire into violations of insurance laws of this State, and for this purpose, or to see if the laws are obeyed, or to examine the financial condition, affairs and management of any insurance company, including surety companies, organized under the laws of this State, or any other State or Territory, or foreign country, he may visit, or cause to be visited by any competent person or persons he may appoint, the head office in this State or in the United States of any domestic or foreign insurance company applying for admission to, or already admitted, to do business in this State, and may for these purposes examine or investigate any company organized under the laws of Montana and any agency of any company doing business in this State." The expense of such examinations to be borne by the companies examined.

**FEES**—For filing charter, examination of first papers and admission to State, \$300; filing annual statement, \$25; license to collect in any one year gross premiums amounting to \$5000 or less, \$125; license to collect premiums above \$5000 in any one year, \$20 per \$1000 for each and every \$1000 collected, but if 50 per cent of capital is invested in Montana securities. taxes paid may be deducted from license fee; for certificate of authority to each agent, \$5 (transferable). Company and agents' licenses expire March 31. Publication fee, \$9; for each process of service \$2. State fees are payable to State Auditor.

**FIRE DEPARTMENT TAX**—No provision.

**FIRE MARSHAL**—Act of March 17, 1911, creates office of State Fire Marshal and impose tax of one-fourth of one per cent on fire premiums of fire insurance companies, less return premiums and cancellations, for maintenance of department.

**IMPAIRMENT**—Sec. 4062, R.C. “\* \* \* No agent shall be allowed to transact business for any company whose capital is impaired by the liabilities, as stated in Sec. 3920 of this chapter, to the extent of 20 percent thereof while such deficiency shall continue.”

**INVESTMENTS PRESCRIBED**—Domestic companies may invest their capital and accumulated funds in bonds and mortgages on unincumbered real estate in Montana, worth at least double the amount loaned thereon, or in stocks of Montana or stocks or treasury notes of the United States, or in stocks and bonds of any county or incorporated city in Montana, and may lend on the pledge of above securities, but the surplus money over and above the paid-up capital stock of any such company may be invested in or loaned upon the pledge of public stocks of the United States or any of the States, on stocks, bonds, or other evidences of indebtedness of any solvent dividend-paying institution incorporated under the laws of Montana or the United States, except its own stock, provided the current market value of such securities shall be at all times during the continuance of such loan at least twenty per cent more than the sum loaned thereon. No domestic company may purchase, hold or convey real estate except for the accommodation of its business. All other real estate acquired in the legitimate course of business shall be sold and conveyed within three years after the same shall have been declared by the State Auditor unnecessary for the company's business, but for sufficient cause time may be extended by said Auditor for such sale.

**LICENSED BROKERS**—No provision.

**LIMIT ON A SINGLE RISK**—Ten per cent of paid-up capital. No company shall “write on a risk within the corporate limits of any one city an amount representing more than the paid-up capital of the corporation, unless the excess shall be insured by the same in some other good and reliable company or companies.”

**LLOYDS**—The law as to capital applies to (Sec. 4062, R. C.) “any insurance company, association or partnership, organized or associated for any of the purposes specified in this chapter.” See “Reciprocal Insurance.”

**MARINE INSURANCE REQUIREMENTS**—An individual company writing both fire and marine risks in Montana is not subject to any requirements differing from those of companies writing either fire or marine insurance only.

**MISCELLANEOUS**—Fire and marine insurance companies may insure against loss or damage to motor vehicles resulting from accident, collision or marine and inland navigation and transportation perils; and to insure growing crops against loss or damage resulting from hail or the elements. A law of 1917 creates a State board of hail insurance. Foreign companies in all instances subject to same restrictions as domestic companies.

**MUTUAL COMPANIES**—(Sec. 4045, R.C.). “No corporation on the plan of mutual insurance shall commence business in this State, until agreements



shall have been entered into for insurance with at least two hundred applicants, the premiums upon which shall amount to not less than \$25,000, of which at least \$5000 shall have been paid in cash, and for the remainder of which, notes of solvent parties, founded upon actual and bona fide applications for insurance, shall have been received; no one of the notes received, as aforesaid, shall amount to more than \$500, and no two thereof shall be given for the same risk, or made by the same person or firm, except when the whole amount of such notes does not exceed the sum of \$500, nor shall any note be regarded or represented as capital stock unless a policy be issued upon the same within thirty days after the organization of the corporation taking the same, upon a risk which shall be for no shorter period than twelve months; each of said notes shall be payable in whole or in part, at any time when the directors shall deem the same requisite for the payment of losses by fire or inland navigation, and such incidental expenses as may be necessary for transacting the business of said corporation; and no notes shall be accepted as a part of such capital stock, unless the same shall be sufficiently indorsed or secured, if security is required by the directors, and no such note shall be surrendered while the policy for which it was given continues in force." This applies to domestic companies only. A mutual company organized outside of Montana may be licensed if it has \$200,000 surplus. Provision is also made for the formation of mutual rural insurance companies. By a law of 1917 not less than 100 persons owning collectively at least 5000 acres of grain may incorporate a mutual insurance company for the purpose of insuring; and not less than 100 persons residents of Montana may form a mutual fire company for the insurances of farms and live stock.

**PRELIMINARY DOCUMENTS**—Company must file with the Auditor a certified copy of the charter and by-laws, copies of policy forms and a verified financial statement. Foreign company files certificate of deposit. Company license expires March 31 annually. Certificates of compliance with laws of company's home State are filed annually.

**PUBLICATION**—Sec. 4070, R. C. Every licensed insurance company shall publish once annually in two newspapers of general circulation, one of which is published at the capital of the State and in domestic companies one of which is published in the county where the principal office is located, a certificate from the State Auditor showing that the company has complied with all the laws of the State, together with the condition statement of capital, assets, liabilities, income and expenditures; unpaid capital or unavailable assets must be advertised. Publication fee \$9, payable to the Auditor who designates the publication as provided by law.

Section 4025 apparently amplifies Section 4070 and provides for publication annually before May 1, of a certificate of compliance in two newspapers, one at the State capital and one in the county, where the company's principal office is located and for the filing of an affidavit of such publication made by the publisher or foreman of such newspaper in the

office of the Auditor within 30 days from the date of publication. The certificate must contain the statement made up from the last annual statement of the company, showing paid-up capital, assets and liabilities and aggregate income and expenditures.

**RECIPROCAL INSURANCE**—Sec. 4075, R. C. "Nothing in this chapter must be so construed as to prevent any number of persons, not exceeding 200, from making mutual pledges, and giving valid obligations to each other, for their own insurance from loss by fire or death; but such association of persons must in no case insure any property not owned and occupied by one of their number; and no life except that of one of their own number; nor are the provisions of this chapter applicable to such associations or companies. But such associations or companies must not pay any salaries or compensation to officers, agents, or other employees, or receive premiums, or make dividends."

**RECIPROCAL LAW**—Sec. 4069, R.C. "Whenever the existing or future laws of any other State or Territory of the United States require of insurance corporations, incorporated by, or organized under, the laws of this State, having agencies in such other State or Territory, or of the agents thereof, any deposit of securities in such State or Territory, or of the agents thereof, for the protection of policyholders or otherwise, or any payment for taxes, fines, penalties, certificates of authority, license fees, or otherwise, greater than the amount required for such purposes from similar companies of other States and Territories by the existing laws of this State, then, and in every such case, all companies of such States or Territories establishing, or having heretofore established, any agency or agencies in this State, are required to make the same deposit for a like purpose with the Auditor of this State, and to pay said Auditor for taxes, fines, penalties, certificates of authority, license fees, or otherwise, an amount equal to the amount of such charges and payments imposed upon or required by the laws of such State or Territory of the companies of this State or the agents thereof."

**REINSURANCE**—Senate Bill 85, 1899, Sec. 2. "No fire insurance company or association shall reinsure in any manner whatsoever the whole or any part of a risk taken by it on property situated or located in this State in any other company or association not authorized to transact business in this State. No fire insurance company or association shall transfer or cede, in any manner whatsoever, to any company or association not authorized to do business in the State, any risk or liability or any part thereof assumed by it, under any form of contract of insurance, covering property in this State, including any risk or liability under any general or floating policy, or any agreement, general, floating, or specific, to reinsure excess loss by one or more fires. No fire insurance company or association shall reinsure, or assume as a reinsuring company, or otherwise, in any manner or form whatsoever, the whole or any part of any risk or liability, covering property located in this State, of any insurance company or association not

authorized to transact business in this State." Statements of reinsurances must be made annually and as much oftener as required by State Auditor. Penalty for violation, fine of \$500; failure to pay a fine is punishable by revocation of license. We are advised by the Insurance Commissioner of Montana that the Department has ruled that reinsurance policies need not be signed by resident agents.

**REINSURANCE RESERVE**—Fifty per cent of premiums on unexpired risks. Insurance Department rules that this percentage applies to risks having less than one year to run, and requires pro rata reserve on those for longer terms.

**RESIDENT AGENTS**—Sec. 4036, R. C. "No fire insurance company or association not incorporated under the laws of this State, authorized to transact business herein, shall make, write, place, or cause to be made, written or placed, any policy, duplicate policy, or contract of insurance of any kind or character, or any general floating policy, upon property situated or located in this State except after said risk has been approved, in writing, by an agent who is a resident of this State, regularly commissioned and licensed to transact insurance business herein, who shall countersign all policies so issued and receive the commission thereon when the premium is paid, to the end that the State may receive the taxes required by law to be paid on the premiums collected for insurance on all property located in this State. Nothing in this act shall be construed to prevent any such insurance company or association, authorized to transact business in this State, from issuing policies at its principal or department offices, covering property in this State, provided, that such policies are issued upon application procured and submitted to such company by agents who are residents of this State, and licensed to transact the business of insurance herein, and who shall keep a record of and countersign all policies so issued and receive the commission thereon when paid." The license of an agent removing from the State becomes void, but may be transferred to another agent of the company.

**SEMI-ANNUAL STATEMENTS**—None required.

**STANDARD POLICY**—None required to be used.

**TAXES**—A law of 1917, H. B. 845, provides for a tax of one per cent on the net income of all stock companies, both domestic and foreign doing business in the State of Montana. Fire marshal tax one-fourth of one per cent on fire premiums, less return premiums and cancellations. See "Fees." Real estate and personal property is taxed as any other property in the State.

**TAX STATEMENTS**—Included in annual statements. For income tax must be filed annually, March 1.

**VALUED POLICY**—No provision.

#### COUNTY TAXES AND FEES.

None.

**MUNICIPAL TAXES AND FEES.**

**DEER LODGE**—For each agent, \$1, payable July 1.

**GLENDIVE**—For each agent, \$10; payable quarterly.

**LEWISTOWN**—For each agent, \$20 per annum; payable quarterly.

**CALENDAR—MONTANA**

On or before

**March 1** Annual statement must be filed. Certificate of compliance must be filed. Tax statement must be filed.

**March 31** Agents' licenses must be secured. Company license must be procured. Premium or license tax is payable. Fire marshal tax is payable.

**May 1** Auditors' certificate must be published.

**June 15** Pay corporation license income tax.

# NEBRASKA.

## STATE REQUIREMENTS.

**AGENTS DEFINED**—Sec. 36 (Ins. Code, 1913). "Any person, firm or corporation in this State who shall with authority receive or receipt for any money on account of, or for any contract of insurance, made by him or them, or for any such insurance company or individual aforesaid, or who shall with authority receive or receipt for money from other persons to be transmitted to any such company, or individual aforesaid, for a policy or policies of insurance, or any renewal thereof, although such policy or policies of insurance may not be signed by him or them, as agent or agents of such company, or who shall in anywise make or cause to be made any contract or contracts of insurance, for or on account of such company aforesaid, shall be deemed, to all intents and purposes, an agent or agents of such company."

**AGENTS' LICENSES**—Sec. 56 (Ins. Code). "No person shall act as soliciting agent or broker for any insurance company in the transaction of any business of insurance within this State, or negotiate for or place risks for any such company, or in any way or manner aid such company in effecting insurance in this State, except as provided in section 25 of this act, unless such company shall in all things have complied with the provisions of this act. Every insurance soliciting agent or broker shall annually procure a license from the board, which shall make and keep a record thereof. Only a natural person shall be licensed as an agent or broker, and every license shall expire on the last day of April in each year." Licenses issued on application of company only. License may be revoked for misrepresentation.

**ANNUAL STATEMENTS**—Must be filed on or before March 1. Statements must be made by companies to Department of Trade and Commerce. Classification of business required annually on or before March 1. (Local agents attend to tax statements.)

**ANTI-COINSURANCE**—No prohibition of use of coinsurance clauses.

**ANTI-COMPACT**—Sec. 50 (Ins. Code). "If any insurance company authorized to transact business in this State, or any agent or representative thereof shall, either within or outside of this State, directly or indirectly, enter into any contract, understanding or combination with any other insurance company, or agent or representative thereof for the purpose of controlling the rates to be charged for insuring any risk or class or classes of risks in this State, the board shall forthwith revoke its license and those of its agents, and no renewal of the licenses shall be granted until after the expiration of one year from the date of final revocation."

**ANTI-REBATE**—Sec. 141 (Ins. Code). "No insurance company by itself or any other party, and no insurance agent or broker, personally or by any other party, shall offer, promise, allow, give, set off or pay, directly or in-

directly, any rebate of or part of the premium payable on the policy or of any policy, or agent's commission thereon or earnings, profits, dividends, or other benefits founded, arising, accruing or to accrue thereon or therefrom or any paid employment or contract for service, or for advice of any kind, or any other valuable consideration or inducement to or for insurance, on any risk authorized to be taken under this act, now or hereafter to be written, which is not specified in the policy contract of insurance; nor shall any such company, agent or broker, personally or otherwise, offer, promise, give, sell or purchase any stock, bonds, securities or property, or any dividends or profits accruing or to accrue thereon, or other thing or value whatsoever as inducement to insurance or in connection therewith which is not specified in the policy. No insured person or party shall receive or accept, directly or indirectly, any rebate of premium or part thereof or agent's or broker's commission thereon, payable on the policy, or on any policy of insurance, or any favor or advantage or share in the dividends or other benefits to accrue on, or any valuable consideration or inducement, not specified in the policy contract of insurance."

**ATTORNEY**—No company may be licensed until it has given and executed full power of attorney to the Department of Trade and Commerce. (Sec. 14, Ins. Code, 1913, as amended, 1919), upon whom legal process may be served.

**CANCELLATION OF POLICY**—On demand of the insured, his assignee or legal representative, a company must cancel its policy and pay him or his representatives (Sec. 72) "the net amount of premium received by the company after deducting the customary short-rate premium for the expired time of the full term for which said policy was issued or renewed, anything in the policy to the contrary notwithstanding." Company may cancel by returning to insured the paid unearned premium.

**CAPITAL REQUIRED**—Of foreign fire and inland marine companies, \$100,000; of domestic companies, \$100,000. New company must have surplus equal to twenty-five per cent of its capital. Alien company must have \$200,000 in approved securities deposited with some State in the United States.

**COMMISSIONS TO NON-RESIDENTS**—There is no law requiring commissions to be paid only to resident agents.

**DEPOSIT**—Sec. 42. "Every domestic company, excepting fire, lightning and tornado assessment associations, shall deposit all of its investment securities, not including premium notes, with the Department of Trade and Commerce for the benefit of its policyholders until they aggregate the sum of one hundred thousand dollars, and thereafter keep such amount of its securities deposited with the board, and no more, as near as may be practicable." Alien company must have \$200,000 deposit in some State for benefit of all policyholders.

**DOMESTIC COMPANIES**—Sec. 82. (Ins. Code). "Nine or more persons

may form an insurance corporation. They shall execute articles of incorporation, and submit them to the Department of Trade and Commerce for examination, and if approved and found by it to be in accordance with the laws of this State, the board shall so certify. When such articles are thus approved, they shall be filed in the office of the Secretary of State and of the county clerk of the county in which the principal office of the company is to be established, and a copy thereof filed in the office of the Department of Trade and Commerce. The articles shall not be considered filed until they have been filed in each of said offices as above provided. Within thirty days after receiving the certificate of authority to transact business, and within four months after filing its articles as aforesaid, such corporation shall publish a notice in some legal newspaper, which notice shall contain the same information, as far as practicable, as that required under the general incorporation laws of this State." No company shall transact business not mentioned in its charter.

**EXAMINATIONS**—Sec. 8 (Ins. Code). "The Department shall cause to be examined each domestic company at least once every three years, and cause to be thoroughly inspected and examined its affairs to ascertain its true financial condition, its ability to meet and to fulfill its obligations, whether it has complied with the provisions of the law, and all other facts that may be required relating to its business, methods and management and its dealings with its policyholders. Whenever the department deems it advisable, it shall cause a complete audit of the books and accounts of the company to be made by a disinterested expert accountant. When it deems it prudent for the protection of policyholders in this State, it shall in like manner cause to be examined any insurance company incorporated or organized in any other State or country applying for admission or already admitted to do business in this State. The person making an examination required or provided by this section may require the company and its officers to exhibit its assets, books and papers, and shall have free access to all the books, records, accounts, vouchers, papers and files of such company which relate to its business; may compel by subpoena the attendance before him and examine under oath its directors, officers, employees and other persons relative to its affairs, transactions and conditions." Company pays all expenses of examinations.

**FEES**—Domestic companies organized or incorporated, for charter and filing papers, \$50 (assessment companies, \$10); annual statement, \$20; agent's certificate, domestic company, 50 cents; copy of certificate of authority of domestic company, 50 cents; of foreign company, \$2. For every copy of any paper filed, 50 cents. Foreign companies pay same fees as domestic, except agents' certificate, \$2. Fees are payable to State Treasurer, but should be forwarded to Department of Trade and Commerce. We are advised by the Insurance Deputy of Nebraska that the requirement of occupation fees, based on capital to be paid to the Secretary of State, does

not apply to insurance companies. Fees all subject to reciprocal provision.

**FIRE DEPARTMENT TAX**—Cities and villages having less than 25,000 population may levy and collect a license tax of not more than \$5 per annum on each fire insurance company for the benefit of fire departments.

**FIRE MARSHAL**—The Governor is constituted Fire Commissioner, with authority to appoint deputies and inspectors; and chiefs of fire departments and other public officials are required to investigate fires. See "Taxes."

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—Not required.

**GENERAL PENALTY**—Sec. 156 (Ins. Code). "Any company or person who knowingly violates any provision of this act for which no penalty is provided, shall be deemed guilty of a misdemeanor and shall be punished by a fine not exceeding one hundred dollars or by imprisonment in the county jail not exceeding three months."

**IMPAIRMENT**—A company whose capital, after proper examination, is found to be impaired, or whose assets are insufficient to justify its continuance in business, must not continue business while such impairment exists. On refusal or neglect to restore capital, the department may bring the company before the court, and after proper proceedings, if action is decided against them, their license may be revoked.

**INVESTMENTS PRESCRIBED**—Sec. 39 (Ins. Code). "The capital stock of every domestic insurance company shall be invested and kept invested to the extent of the minimum capital required by law, as follows:

"1. In legally executed bonds, warrants and securities of the United States or of the District of Columbia, or of any State of the United States not estimated above their par value, nor their current market value; or,

"2. In legally executed bonds, warrants and securities of any county, incorporated city or school district in any State, which has not defaulted in the payment of interest on any of its bonds, warrants or securities within three years, and which shall not be estimated above their par value nor their current market value; or,

"3. In legally issued bonds or notes secured by first mortgage on real estate in this or any of the other States of the United States worth, with the improvements thereon, at least double the sum loaned thereon. \* \* "

"4. The residue of the capital, together with the surplus and other funds of every such company, may be invested in or loaned on the pledge of any of the above securities, or in bonds of drainage districts or irrigation districts within the State of Nebraska or other State within the United States of America, or bonds issued by any farm loan bank doing business under authority of the United States of America, but such funds shall not be invested in or loaned upon any bonds or obligations which shall not be secured by adequate collateral security or where more than one-third of the total value of the collateral security therefor



shall consist of shares of stock; provided, that the amount loaned on real property or mortgages thereon does not exceed fifty per cent of the reasonable cash market value of such property, and the requirements as to keeping the improvements thereon insured is observed. \* \* \* A domestic company may acquire real estate for its own occupancy not exceeding in value twenty-five per cent of its assets, and may take real property under foreclosure or in satisfaction of debts, but must dispose of same within five years.

Sec. 40. "The capital and funds of every foreign or alien insurance company shall be invested and kept in the same class of securities specified for domestic insurance corporations, except that securities authorized by the law of the home State, or country, of such company may be recognized as legal investments in the discretion of the Department of Trade and Commerce."

LICENSED BROKERS—Sec. 25 (Ins. Code). "The Department of Trade and Commerce, in consideration of a yearly payment of \$100 and the furnishing of a bond as hereinafter provided, may issue to any citizen in this State a license, revocable at any time, permitting the party named in such license to place or effect insurance upon risks located in this State with companies not licensed to do business in this State. No person shall place, procure or effect insurance upon any risk located in this State in any company not licensed to do business in this State until such person shall have first procured a license from the Department, as provided in this section, and has furnished a bond to the State of Nebraska in the penal sum of not less than five hundred dollars nor more than three thousand dollars, the amount thereof to be fixed by the board, with sureties thereon to be approved by the Department, conditioned that he will conduct such business in accordance with the provisions of this section, and will pay the taxes assessed against such company. Every such agent must keep a true and complete record of the business transacted. \* \* \* Before any insurance shall be procured or effected under such license, there shall be executed by such agent, and by the party or his authorized agent desiring insurance, an affidavit, which shall be filed with the Department within thirty days after procuring such insurance. Such affidavit shall set forth that the party desiring insurance is, after diligent effort, unable to procure the insurance required to protect the property owned or controlled by him, from the companies licensed to transact business in this State. Every company making insurance under the provisions of this section shall be held to be doing business in this State as an unlicensed company, and be sued upon any cause of action arising under any policy of insurance so issued and delivered by it in the county where the agent who registered or delivered such policy resides or transacts business, by the service of summons made upon such agent for such company." Failure or refusal to make required statement renders offender liable to a fine of \$25 for each

day of delinquency, and violation of any of the provisions is punishable by revocation of license. Broker must have license, which expires April 30.

**LIMIT ON A SINGLE RISK**—Sec. 89 Ins. Code, 1913. (This applies only to mutual companies.) "Except as otherwise provided by law, the maximum single risk shall be three times the average policy, or one-eighth of one percentum of the insurance in force, whichever sum is the greater. Any reinsurance taking effect simultaneously with the policy shall be deducted in determining such maximum single risk. The minimum number of risks outstanding shall be two hundred, each within the maximum single risk prescribed herein." Sec. 113. (Applies to stock companies.) "No insurance company \*\*\* shall expose itself to a single hazard in the congested district of any city or town for a larger amount than one-tenth of its paid-up capital in the United States, unless it provides for reinsurance of the excess simultaneously with the original contract." Violator liable to revocation of license.

**LLOYDS**—No provision; previous law repealed.

**MARINE INSURANCE REQUIREMENTS**—All law relating to fire insurance relates also to marine insurance, and laws relating to agents relate also to brokers. Companies writing both fire and marine risks are not subject to any requirements different from those relating to companies writing either fire or marine only.

**MISCELLANEOUS**—Sec. 32 (Ins. Code). "Every insurance company shall conduct its business in this State in its own name, and the policies and contracts of insurance issued by it shall be headed or entitled by such name. Two or more companies may jointly issue an underwriter's policy, upon which must appear the names of the companies guaranteeing the same, and such companies shall be jointly and severally liable thereon. Provided, this limitation shall not apply to any insurance company admitted to this State and issuing an underwriter's policy prior to the passage and approval of this act, nor, in the discretion of the Department of Trade and Commerce, to any insurance company desiring to issue an underwriter's policy after the passage and approval of this act." Removal by a company of a suit to a Federal court will be punished by the revocation of its license. Whenever a company's license is revoked it shall not be able to be relicensed in the State for three years. No company shall be admitted whose organization and promotion expenses exceed ten per cent of par value stock sold. Judgment for attorneys' fees against insurance company when losing case. (Chap. 43, Sec. 451, 1889.) Over-insurance is prohibited. Adjusters must report any violation of law discovered by them.

**MUTUAL COMPANIES**—No company on the plan of mutual insurance shall commence business until agreements have been entered into for insurance with at least 200 applicants.

**PRELIMINARY DOCUMENTS**—Certified copy of charter and amendments and verified copy of financial statement and annual statement; copies of

policy forms and application blanks, foreign companies must file certified copy of charter; copies of policy form and application blanks. (Sec. 37, Ins. Code, 1913.) An alien or foreign company must have made at least one annual report in its home State or country. (Sec. 140.)

**PUBLICATION**—No insurance company, agent or solicitor shall publish or advertise assets except those actually owned by the company in its own exclusive right, nor shall he make false or misleading statements or suppress any of the company's liabilities. All advertisements, etc., of an insurance company of its financial condition must correspond with its verified statement made to the Department of Trade and Commerce.

**RATE SCHEDULES**—Not required to be filed.

**RECIPROCAL INSURANCE**—Laws of 1917. "Individuals, partnerships and corporations in this State hereby designated as subscribers are hereby authorized to exchange reciprocal or inter-insurance contracts with each other or with individuals, partnerships and corporations of other States and countries providing indemnity among themselves from any loss which may be insured against under other provisions of the law, excepting life insurance." Contracts may be executed by an attorney acting for such subscribers. Subscribers must make the declaration set forth by law; that applications have been made for insurance upon at least seventy-five separate risks aggregating at least \$1,500,000, must deposit with the attorney for payment of losses not less than \$50,000. Department of Trade and Commerce must be appointed as agent for service of process. Attorney must file under oath, with the State Insurance Board, statement showing maximum amount of indemnity upon any single risk. The reserve fund in cash or convertible securities must be maintained equal to one-half of the net annual deposits collected and credited to the accounts of the subscribers on policies in force. This reserve fund shall at no time be less than \$50,000. An annual report must be made showing the exchange's condition not later than March 1. Attorney filing annual report shall pay as an annual license fee \$20 and a tax of two per cent of the gross premiums or deposits received from Nebraska subscribers during the calendar year, deducting all amounts returned to subscribers or credited to their accounts.

**RECIPROCAL LAW**—Sec. 24 (Ins. Code). "Whenever the laws of any other State or the rules and regulations of the insurance department of any such State shall require of insurance companies organized under the laws of this State any deposit of securities or money in such State for the security of the policyholders, or any payment of taxes, fines, penalties, certificates of authority, licenses or fees, or any other duties, examinations or acts than are by the laws of this State required of such companies organized under the laws of such other State, then the Department of Trade and Commerce shall immediately require from every insurance company of every kind and character whatever of such other States, transacting or seeking to transact business in this State, a like payment of all licenses, taxes, fines or penal-

ties, and a like making of all deposits of securities and statements, and the like doing of all acts which, by the laws or rules of the Insurance Department of such other State, are in excess of the licenses, fees, fines, taxes, deposits, statements, penalties, acts, examinations or duties required by the laws of this State of the companies of such other States."

**REINSURANCE**—According to Sec. 91, Ins. Code of 1913, any authorized company may, by a contract of reinsurance, assume the risks of any other company doing a similar business, or reinsure its risks and business only if both companies, party to the reinsurance, are duly authorized in this State, and the Department of Trade and Commerce find that such contract will not impair the solvency of either company, and if the contract is submitted to the Department of Trade and Commerce of the State and the directors of the company which proposes to reinsure. Insurance Commissioner rules that no company can reinsure Nebraska risks in an unauthorized company.

**REINSURANCE RESERVE**—Forty per cent of total premiums charged on risks in force.

**RESIDENT AGENTS**—Sec. 23 (1919). "No insurance company admitted to do business in this State shall write, place or cause to be written or placed, any policy of insurance covering risks located or residing in this State, except through or by a duly licensed agent of such company, resident within or licensed by the Department of Trade and Commerce of this State, except that any officer of a domestic company may write or place a policy of insurance if done at the home office of such company." In October, 1917, the Insurance Commissioner stated that "policies of marine and inland transportation insurance do not have to be written or countersigned by resident agents, unless such policy is written by the agent."

**SEMI-ANNUAL STATEMENTS**—None required. Domestic companies must, semi-annually, January 3 and July 3, file with the Board a list of all its securities over \$100,000 deposited with the Board.

**STANDARD POLICY**—Sec. 101 (Ins. Code of 1913). Forbids the use of any other form except that known as the New York Standard, or one prescribed by the Department of Trade and Commerce. Sec. 101 of the code, which stated that the New York Standard Form "as now or may be hereafter constituted" was declared unconstitutional by the Supreme Court. The old form of New York policy is required. Anyone issuing any other policy shall be punishable by a fine not exceeding \$100, and the board may revoke license of company, agent or broker.

**TAXES**—Under the Revenue law of 1903, Sec. 58, other State and foreign companies are taxed in the county, town, city, village and school district where the agent conducts business upon gross premiums received for insurance upon property in the State during the preceding year at the property rate; Sec. 61 provides that domestic companies shall be taxed upon their net premiums, viz., gross, less return premiums and reinsurances through

regularly authorized agents in the State. Agents must file statements, and are personally liable for the tax. This tax is in lieu of all others, except occupation taxes and those prescribed on real estate, etc., by the general revenue law. Sec. 15, Chap. 2510, Laws of 1917, provides for an additional tax of three-eighths of one per cent on gross premiums less cancellations and reinsurances for the support of the State Fire Commissioner's Department. Such tax shall be paid annually in the month of January. Personal taxes become due November 1, and delinquent December 1. Other State and foreign companies are governed by reciprocal provision. Taxes paid tax collectors will be credited by the Department of Trade and Commerce upon taxes levied under reciprocal law, when tax receipts are presented on or before May 1 of following year.

**TAX STATEMENTS**—Must be filed on or before April 1. See "Taxes."

**VALUED POLICY**—Sec. 74 (Ins. Code of 1913). "Whenever any policy of insurance shall be written to insure any real property in this State against loss by fire, tornado or lightning, and the property insured shall be wholly destroyed without criminal fault on the part of the insured or his assignee, the amount of the insurance written in such policy shall be taken conclusively to be the true value of the property insured, and the true amount of loss and measure of damages."

### COUNTY TAXES AND FEES.

See "Taxes."

### MUNICIPAL TAXES AND FEES.

See "Fire Department Tax" and "Taxes."

**AINSWORTH**—For each company, \$5; payable July 1.

**ALBION**—For each company, \$5; payable about May 1.

**ALLIANCE**—For each company, \$5, payable August 1.

**ALMA**—For each agent, \$5, payable August 1.

**ANSLEY**—For each company, \$5, payable April 25.

**ASHLAND**—For each company, \$5, payable May 1.

**AUBURN**—For each company, \$5, payable annually, May 1.

**AURORA**—For each agent, \$5, payable May 1.

**BEATRICE**—For each company, \$5, payable May 1.

**BENNINGTON**—For each company, \$10.

**BLAIR**—For each company, \$5, payable June 1.

**BLOOMFIELD**—For each company, \$5, payable July 1.

**BLUE HILL**—For each company, \$5, payable May 1.

**BROKEN BOW**—For each company, \$5, payable May 1.

**CAMBRIDGE**—For each company, \$5, payable January 1.

**CAMPBELL**—For each company, \$5, payable May 1.

**CENTRAL CITY**—For each company, \$5, payable May 1.

**CHADRON**—For each company, \$5, payable May 1.

CLAY CENTER—For each company, \$5; for each agent, \$2, payable annually May 1.

COZAD—For each company, \$5; for each agent, \$5, payable February 14.

COLLEGE VIEW—For each company, \$5, payable May 1.

COLUMBUS—For each company, \$5, payable May 1.

CRAWFORD—For each agent, \$5, payable May 1.

CREIGHTON—For each company, \$5, payable May 1.

CRETE—For each company, \$5, payable June 2.

DAVID CITY—For each company, \$5, payable May 1.

DODGE—For each company, \$5, payable May 1.

EDGAR—For each company, \$5, payable first Tuesday in May.

ELM CREEK—For each company, \$5.

EUSTIS—For each company, \$5.

EXETER—For each company, \$5, payable May 1.

FAIRBURY—For each company, \$5, payable May 1.

FAIRFIELD—For each agent, \$5, payable May 1.

FAIRMONT—For each company, \$5, payable May 1.

FALLS CITY—For each company, \$5, payable May 1.

FLORENCE—For each company, \$3, payable April 1.

FRANKLIN—For each company, \$5, payable July 1.

FREMONT—For each company, \$5, payable May 1.

FRIEND—For each company, \$5; for each agent, \$5, payable July 1.

FULLERTON—For each company, \$5, payable May 1.

GENEVA—For each company, \$5, payable May 1.

GENOA—For each company, \$5, payable June 1.

GOTHENBURG—For each company, \$5, payable May 1.

HARVARD—For each company, \$5, payable November 1.

HASTINGS—For each company, \$5, payable May 1.

HAVELOCK—For each company, \$5, payable May 1.

HEBRON—For each agent, \$5, payable May 1.

HOLDREGE—For each company, \$5, payable May 1.

HUMBOLDT—For each company, \$5, payable May 1.

KEARNEY—For each company, \$5, payable May 1.

LEIGH—For each agent, \$5, payable first Tuesday in May.

LEXINGTON—For each company, \$5, payable annually.

LOUISVILLE—For each agent, \$1; for each company, \$5, payable May 1.

LOUP CITY—For each agent, \$5, payable annually May 1.

MADISON—For each company, \$5, payable May 1.

MERNA—For each company, \$5, payable January 1.

MINDEN—For each company, \$5, payable October 1.

MORRILL—For each company, \$5, payable May 1.

NEBRASKA CITY—For each company, \$2, payable February 1.

NELIGH—For each company, \$5, payable May 1.

NORFOLK—For each company, \$5, payable May 1.

NORTH BEND—For each company, \$5; payable April 15.

- NORTH PLATTE—For each company, \$5, payable May 1.  
OAKLAND—For each agent, \$2, payable January 1.  
O'NEILL—For each company, \$5, payable May 1.  
ORD—For each company, \$5, payable May 1.  
OSCEOLA—For each company, \$5, payable May 1.  
PAWNEE CITY—For each company, \$5, payable May 1.  
PENDER—For each agent, \$5, payable July 15  
PERU—For each company, \$5, per annum.  
PIERCE—For each company, \$5, payable May 1.  
PLAINVIEW—For each company, \$5, payable May 1.  
PLATTSMOUTH—For each company, \$5, payable May 1.  
PRAGUE—For each company, \$5, payable May 1.  
RED CLOUD—For each company, \$5, payable May 1.  
RISING CITY—For each company, \$5, payable May 1.  
RULO—For each company, \$1 per annum, payable May 1.  
SCHUYLER—For each company, \$5, payable May 1; also tax based on one-fifth of premiums.  
SCOTTS BLUFF—For each company, \$5, payable May 1.  
SEWARD—For each company, \$5, payable May 1.  
ST. PAUL—For each company, \$5, payable May 1.  
SHELTON—For each company, \$5, payable August 1.  
SIDNEY—For each company, \$5, payable May 1.  
SOUTH OMAHA—Tax on gross premiums at property rate.  
STANTON—For each agent, \$5, payable May 1.  
STROMSBURG—For each company, \$5; for each agent, \$5, payable April 30.  
SUPERIOR—For each company, \$5, payable May 1.  
SUTTON—For each company, \$5, payable May 1.  
TECUMSEH—For each company, \$5, payable May 1.  
TEKAMAH—For each company, \$5, payable May 1.  
TILDEN—For each company, \$5, payable May 1.  
UEHLING—For each company, \$3, for year ending January 1.  
UNIVERSITY PLACE—For each company, \$5, payable May 1.  
VERDIGIE—For each company, \$5.  
WAHOO—For each company, \$5, payable May 1.  
WAKEFIELD—For each company, \$5, payable May 1.  
WAYNE—For each company, \$5, payable May 1.  
WEEPING WATER—For each company, \$5, payable May 1.  
WEST POINT—For each company, \$5, payable May 1.  
WILBER—For each company, \$5, payable June 1.  
WINNEBAGO—For each company, \$5, payable January 1.  
WISNER—For each company, \$5, payable May 1.  
WYMORE—For each company, \$5, payable first Tuesday after first Monday in April.  
YORK—For each company, \$5, payable second Tuesday in April.

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**CALENDAR—NEBRASKA****On or before**

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|--------------|-----------|--|
| <b>Jan.</b>  | <b>1</b>  | <b>Fire department tax is payable.</b>   |
| <b>Jan.</b>  | <b>31</b> | <b>Fire marshal tax is payable.</b>  |
| <b>March</b> | <b>1</b>  | <b>Annual statement must be filed.</b>   |
| <b>April</b> | <b>1</b>  | <b>Tax statement must be filed.</b>  |
| <b>April</b> | <b>30</b> | <b>Licenses must be procured for agents.</b>   |
| <b>May</b>   | <b>1</b>  | <b>State premium tax is payable.</b>   |
|              |           | <b>Company license must be obtained.</b>   |
| <b>June</b>  | <b>30</b> | <b>Agents to be advised concerning paying local personal property<br/>tax on premiums.</b> |
| <b>Nov.</b>  | <b>1</b>  | <b>Personal property tax payable on local agency receipts.</b>                             |



# NEVADA.

## STATE REQUIREMENTS.

**AGENTS DEFINED**—No definition.

**AGENTS' LICENSES**—Law of 1915 provides that agents must procure licenses, such to be issued by Insurance Commissioner on written request of general agent or other responsible officer of any licensed company. License is good until February 1 of succeeding year. Any one soliciting insurance without such license or writing, if for any company not authorized to do business within the State, shall be guilty of a misdemeanor and liable to a fine of \$100 or fifty days' imprisonment, or both, and be debarred from transacting any more insurance within the State.

**ANNUAL STATEMENTS**—Must be filed on or before March 1, showing condition of company December 31 preceding. Penalty for default, \$100 for each day, and license may be suspended during default on notice by Controller. Penalty for making false statement, a fine of \$500 to \$5000, which may be imposed on the company or on the person making false oath.

**ANTI-COINSURANCE**—No prohibition of coinsurance clauses.

**ANTI-COMPACT**—No provision.

**ANTI-DISCRIMINATION**—No provision.

**ATTORNEY**—A citizen and resident of the State must be authorized to accept service of legal process. In the absence of such attorney, service upon the Controller shall be binding.

**CANCELLATION OF POLICY**—No requirement as to notice to insured.

**CAPITAL REQUIRED**—Company must possess paid-up, unimpaired capital of at least \$200,000. Domestic company must have at least \$100,000 capital.

**COMMISSIONS TO NON-RESIDENTS**—Amendment of 1919 requires that all policies shall be signed by a resident agent, who shall receive full commission.

**DEPOSIT**—None required of American companies. Foreign companies must have a sum equal to \$200,000 in gold coin in excess of liabilities on deposit in one of the United States for the benefit of all policyholders in the United States.

**DOMESTIC COMPANIES**—Law of 1881, Sec. 2., as amended in 1915. "Corporations may be formed under the general laws of this State for the transaction of insurance business, but no such corporation shall be permitted to assume any risk as insurer unless the same shall have at least five directors, who shall be residents and propertyowners in this State, and stockholders in the corporation; nor not until such corporation shall have a paid-up, unimpaired cash capital equal to \$100,000 in United States gold coin, \* \* \*" which shall be invested as specified below. Provision is also made for change of capital stock, location of home office, number of

directors, etc., provided that these changes do not go below the prescribed limit.

**EXAMINATIONS**—Insurance Laws of 1915, Sec. 8. "The Insurance Commissioner shall have the right to make an examination of the condition of any insurance company doing business in the State, either upon his own volition or the sworn statement alleging irregularity or insolvency of the company from five bona fide policyholders, stockholders or creditors thereof, and may withdraw or withhold his certificate of authority to do business in this State, pending or subsequent to such an investigation."

Sec. 11. "The Insurance Commissioner may appoint as deputy any competent person to make an examination of a nonresident insurance corporation, and the expenses of said examination shall be wholly borne by the company examined, but shall in no case be higher than the compensation allowed by the local laws of the State for such services where such examination is made."

**FEES**—Law of 1881, Sec. 14. "The Controller shall collect, for filing each power of attorney and issuing his certificate as required by this act, \$5; for an annual license to each fire insurance company to transact business throughout the State, \$100" (license fee pro-rated to December 31, when licenses expire). Sec. 9, Act of March 12, 1915, provides that all such moneys shall be paid into the General Insurance Fund. Companies bear examination expenses. Publication fee, \$20. Fee for filing articles of incorporation, to Secretary of State, 10 cents per \$1,000 of capital; minimum, \$25; for increase of capital, 10 cents per \$1,000; minimum, \$10. Fee for issuing agent's license, \$1. Broker pays \$15 quarterly for license to collector of county in which he is located.

**FIRE DEPARTMENT TAX**—No provision.

**FIRE MARSHAL**—No provision.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—Not specifically required by law, but called for by State Controller.

**GENERAL PENALTY**—Sec. 18. "Any officer, agent or employee of any insurance company or other person violating any of the provisions of this act (an act to license and regulate insurance business in this State—February 23, 1881), shall, on conviction thereof, be fined not less than \$50, nor more than \$300, and in default of payment of such fine shall be imprisoned in the county jail not less than ten days nor more than three months, except as otherwise specially provided in this act, and the Controller is authorized and directed to cause proceedings to be instituted in the name of the State of Nevada, in any court of competent jurisdiction, to enforce the provisions of this act."

**IMPAIRMENT**—None permitted. License to be refused or revoked. Assessments may be levied upon stockholders to make good impairment. Penalty for doing business after notification to repair capital while company is unlicensed, fine of \$500 for each offense, or imprisonment for not exceeding six months or until fine is paid.

**INVESTMENTS PRESCRIBED**—Domestic companies may invest their capital in bonds of Nevada or of the United States, or in bonds and mortgages on unincumbered real estate, the market value of which shall be at least double the amount loaned thereon, or in bonds of any city, county or school district in Nevada, duly authorized by law, or in bonds of any railroad, wagon road, ditch or canal corporation, provided that such bonds shall at no time be estimated as assets at more than their actual cash market value. Nothing in this act shall be construed to permit any company investing in mining stock. Sec. 3, amended in 1917. "No loans shall be made to any stockholders upon the security of the capital stock of such insurance company, and no loans shall be made to any director, officer or employee of such insurance company unless he gives good and sufficient security for the repayment of such loan, which security must be approved by a majority vote of the board of directors and the State Bank Examiner, the applicant for such loan not voting."

**LICENSED BROKERS**—Law of 1881, Sec. 15. "Any person who solicits insurance, receives an application or order to write, renew or procure any policy, collect any premium, or who attempts as middleman to place any fire insurance in this State, when such person holds no authority as agent from any insurance company or general agent of such company, shall be deemed an insurance broker, and shall pay to the county where such business is conducted or attempted, in advance, a quarterly license of \$15. \* \* \*." Penalty for violation, fine of \$25 to \$50 for each offense.

**LIMIT ON A SINGLE RISK**—None.

**LLOYDS**—Law of 1881, Sec. 17. "The provisions of this act, under either term or designation of company, corporation, association, firm or individual in either case, or where either term or designation is used, shall apply to any insurer, company, corporation, association, firm or individual engaged as insurers, or who may hereafter engage as insurers in this State, or who may engage in offering or affording indemnity against the casualties of fire or life."

**MISCELLANEOUS**—The Insurance Commissioner may revoke or suspend the license of any insurance company that fails to settle any valid claim within sixty days after final judgment and notice thereof filed with Insurance Commissioner. Sec. 7, of the laws of 1915. "When 25 per cent of the taxpayers of any city or town in the State desire a survey of water-works and fire appliances of the town or city, with a view of asking for a reduction of fire insurance rates, the Insurance Commissioner shall deputize some suitable person to make such survey and file a full report in his office, said report to be placed with the San Francisco Board of Underwriters, before which board the State Insurance Commissioner or deputy shall appear to argue a reduction of insurance rates, should said report warrant it. All the expense of such proceedings shall be borne by the town or city upon whose behalf the proceedings are had, and shall be deposited with the Insurance Commissioner before action is taken. The

compensation allowed such deputy while actually in the employ of the State shall be five dollars per diem and actual expenses while traveling. When insured property is totally destroyed, and amount of appraised or agreed loss is less than amount of insurance thereon, the insurance company shall return to the insured the unearned premium for the excess of insurance over loss.

**MUTUAL COMPANIES**—Law of 1897, Sec. 1. "Any number of persons, not less than ten, who shall be residents and householders in the county in which such company is formed, may associate themselves together and form an incorporated company for the purpose of mutual insurance of the property of its members against loss by fire; which property to be insured shall belong to members of the company and embrace dwelling houses, barns, accompanying out-buildings and their contents, creameries, farm implements, hay, grain, wool and other products, live stock, wagons, buggies, carriages, harness, household goods, wearing apparel, provisions, musical instruments, furniture and libraries being upon farms as farm property, or in dwellings, or in accompanying out-buildings." There must be at least twenty-five subscribers for at least \$50,000 of insurance.

**PRELIMINARY DOCUMENTS**—Company must file with the Controller a certificate showing that it has a paid-up capital of \$200,000; also copy of latest annual statement. Certified copy of charter may also be required. Certificate of compliance with laws of company's home State required annually in January. Certified copy of charter or articles of incorporation to be filed with Secretary of State, and a copy of same, certified by the Secretary of State of Nevada, is to be filed with the County Clerk of the county where company's principal office in Nevada is located. Penalty for non-compliance, \$500.

**PUBLICATION**—Annual statements are required to be filed with Controller and published in a Nevada newspaper for one week in a daily newspaper, or two weeks in a semi-weekly or tri-weekly newspaper, or four weeks in a weekly newspaper, not later than the month of March, copies to be filed with the several Assessors of the counties in which the company is doing business. Advertising charge, \$20. Penalty for non-compliance, \$100 for each month published statement remains unfiled with Assessors.

**RATE SCHEDULES TO BE FILED**—Laws of 1919, Chap. 392, Sec. 1a. Every fire insurance company, before it shall receive a license or a renewal of a license to transact the business of making insurance as an insurer in this State, must file or cause to be filed in the office of the Insurance Commissioner its special, specific and tariff rates. Every such company and its agents shall observe its rates so filed, and shall not deviate therefrom when making insurance until amended or corrected rates shall have been filed in the office of the Insurance Commissioner. Any fire insurance company knowingly failing to observe and follow its said rate may be precluded from transacting any business in this State for a period of one year by the revocation of its license by the Insurance Commissioner; provided, that

any insurance company charged with a violation of this section shall, before any fine is imposed or its license revoked, be notified in writing by the Insurance Commissioner of the charges in detail preferred against it, and said notice shall provide a reasonable time, not less than five nor more than twenty days, within which such company may appear before the Insurance Commissioner and present evidence and be heard in its own behalf; provided further, that such company may appeal to a court of competent jurisdiction from the order of the Insurance Commissioner revoking its license and pending the determination of such revocation shall be suspended.

**RECIPROCAL INSURANCE**—See "Lloyds."

**RECIPROCAL LAW**—None.

**REINSURANCE**—Law of March 6, 1901, Sec. 2. "No fire insurance company or association shall reinsure, in any manner whatsoever, the whole or any part of a risk taken by it on property situated or located in this State in any other company or association not authorized to transact business in this State." Sec. 3. "No fire insurance company or association shall transfer or cede, in any manner whatsoever, to any company or association not authorized to do business in this State, any risk or liability or any part thereof assumed by it, under any form or contract of insurance, covering property located in this State, including any risk or liability under any general or floating policy, or any agreement, general, floating or specific, to reinsure excess loss by one or more fires." Sec. 4. "No fire insurance company or association shall reinsure, or assume as a reinsuring company, or otherwise, in any manner or form whatsoever, the whole or any part of any risk or liability, covering property located in this State, of any insurance company or association not authorized to transact business in this State." Sec. 5. "At the time of the filing of the annual statement of every insurance company or association doing business in this State, with the State Controller, there shall be attached thereto the affidavit of the president, manager or chief executive officer in the United States that this act has not been violated." Penalty for violation or non-compliance, \$500 for each offense.

**REINSURANCE RESERVE**—Company must maintain a reinsurance reserve equal to fifty per cent of the premiums on risks having less than one year to run, and pro rata on all risks of more than one year.

**RESIDENT AGENTS**—Section 1. It shall be unlawful for any insurance company admitted to do business in this State to write, place or cause to be written or placed, any policy of insurance covering property located in this State except through or by a duly authorized licensed agent of such company, residing and doing business in this State; provided, that where the insured calls at the principal office of the company and requests a policy, the risk may be covered, and the policy procured through the duly authorized agent in the territory wherein the risk is located; and provided further, that a non-resident special agent, representing a company licensed

by this State, may work with and assist local agents in this State in writing business, but in all cases the local agent is to retain his full commission.

Penalty for violation, revocation of license. Shall not be issued over for one year from the date of such revocation. Stock of railroad corporations or property in transit is excepted from this Act.

**SEMI-ANNUAL STATEMENTS**—Not required.

**STANDARD POLICY**—No provision.

**TAXES**—No provision.

**TAX STATEMENTS**—Copies of the published annual statement must be filed annually with the several assessors of the State of Nevada, under a penalty of \$100 for each month the statement remains unfiled.

**VALUED POLICY**—A valued policy law was passed in 1901 over the Governor's veto, but was declared invalid by the Supreme Court.

### **COUNTY TAXES AND FEES.**

None.

### **MUNICIPAL TAXES AND FEES.**

**CARSON**—For each agent, \$3 per quarter, payable in advance, for each and every insurance company represented by him.

**FALLON**—For each company, \$4 per annum, payable quarterly.

**RENO**—For each agent, \$3 to \$40 per quarter, according to commissions, payable January, April, July, October.

**SPARKS**—For each agent, \$5 per quarter, payable quarterly.

**WINNEMUCCA**—For first company, \$2 per annum; for each additional company, \$1 quarterly, payable quarterly.

### **On or before                      CALENDAR—NEVADA**

Jan. 31      Certificate of compliance is required.

Feb. 1       Agents' licenses must be obtained.

March 1     Annual statement must be filed. Publication fee payable.

March       Annual statement must be published and copies filed with assessors of county in which company does business.

Dec. 31     Company license must be procured.

When required Foreign companies' home office statements to be filed.

# NEW HAMPSHIRE.

## STATE REQUIREMENTS.

**AGENTS DEFINED**—An agent is defined as an acknowledged agent or any person, partnership, association, or corporation, who shall in any manner aid in transacting the insurance business of any company authorized to transact business in this State by negotiating for or placing risks or delivering policies or collecting premiums.

**AGENTS' LICENSES**—Laws of 1913 provide that the insurance commissioner, on written notice from company of its appointment of a person to act as its agent, may issue a license if he is satisfied as to the intentions, integrity and character of the licensee. He may revoke same on sufficient evidence of unsuitableness of same. One license is sufficient for a partnership or corporate agency (except under retaliatory law). Solicitors must be licensed separately. License fee for foreign company, \$2.

**ANNUAL STATEMENTS**—Must be filed on or before February 1. For cause the Commissioner may extend time to a date not later than March 1. These and tax statements are only ones required yearly.

**ANTI-COINSURANCE**—No law prohibiting the use of coinsurance clauses. By a ruling of the Attorney-General, in 1912, they are not allowed to be used in policies on buildings.

**ANTI-COMPACT**—Public Statutes, Chap, 169, Sec. 10. "If a licensed foreign insurance company shall enter into a contract or combination with other insurance companies for the purpose of controlling the rates to be charged for insurance upon property within the State, or shall make application for the removal of any action brought against it in the courts of this State to the United States courts, the Commissioner shall forthwith revoke its license and those of its agents; and no renewal of the licenses shall be granted until after the expiration of three years from the date of such revocation."

**ANTI-DISCRIMINATION**—By a law, approved May 7, 1913, the giving by any company, broker, agent, etc., of any rebate or compensation not mentioned in the regular policy, is strictly prohibited; as is also the receiving of such rebate by the insured. Violation renders the offender liable to a fine of \$100 for each offense or imprisonment of not more than six months. Agreements to extend credit exceeding sixty days are ruled to be in violation of law.

**ATTORNEY**—The Insurance Commissioner must be authorized to accept service of legal process.

**CANCELLATION OF POLICY**—Policies may be canceled at short rates by insured, or pro rata, on ten days' notice by the company.

**CAPITAL REQUIRED**—Stock companies organized outside of the State must have at least \$200,000 of paid-up capital; domestic fire company, \$100,000; domestic marine company, \$200,000, and a domestic company must have an initial surplus of at least 25 per cent of capital.

**COMMISSIONS TO NON-RESIDENTS**—Broker's license is necessary for a person negotiating or placing insurance with a domestic company or an agent for a foreign or domestic company, in the State. See "Licensed Brokers."

**DEPOSIT**—None required except under operation of reciprocal law. A ruling of the Insurance Department requires foreign company to have \$200,000 deposited in one of the United States.

**DOMESTIC COMPANIES**—Companies may be incorporated by provisions of Chap. 80, Laws of 1917, under the supervision of the Insurance Commissioner. Newly chartered domestic companies must be licensed by the Insurance Commissioner before transacting any business. All companies are under supervision of the Insurance Department. Members of mutual companies are not liable beyond the amount of their deposit notes.

**EXAMINATIONS**—Chap. 168, Sec. 16. "The Commissioner in person or by deputy shall examine and verify the assets and liabilities of all domestic insurance companies with their annual statements required by Section 17 of this chapter; and he shall further make a thorough examination of the affairs of any such company whenever thereto requested, in writing, by five or more policyholders of the company, setting forth probable grounds for a belief that the company is insolvent or that there is 'gross waste, misconduct, or negligence in the management of its affairs,'" Chap. 167, Sec. 10. "The Commissioner is authorized to examine into the condition and affairs of any domestic or foreign insurance company doing business, or proposing to do business, in the State, or to cause such examination to be made by some person not interested in the company, appointed by him, and to examine into the business transacted by any agent of the company in the State. He may require the company or agent to produce all books and papers and to answer in writing, under oath, all reasonable questions relating to the company or to the agency."

**FEES**—Filing certified copy of charter and by-laws, \$25; filing statement with application and each annual statement, \$15; certificates of authority to companies, and annual renewals, \$5; agents' license or certificate of authority and annual renewals, \$2; each service of process, \$2; for copies of records on file, per page, 10 cents; for certificates, each \$1; for brokers' license to transact business with unauthorized companies, \$2; for brokers' license to transact business through licensed companies, \$10. See "Reciprocal Law." Fees are payable to Insurance Commissioner.

**FIRE DEPARTMENT TAX**—Governed by reciprocal provision.

**FIRE MARSHAL**—Public Statutes, Chap. 115, Sec. 21, provides for the investigation of all fires by municipal authorities.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—Not required.

**GENERAL PENALTY**—Chap. 168, Sec. 18. "If any insurance company, domestic or foreign, or any officer or agent of any insurance company, shall



violate any law of the State in relation to insurance for which no other penalty is specially prescribed, such company, officer, or agent shall be fined not exceeding \$2000 for each offense."

**IMPAIRMENT**—No permissible limit is fixed. If the Commissioner considers a company to be in unsound condition, he may revoke its, and its agents', licenses, by giving written notice and by publication; and in case it is a domestic company, may take steps looking to forfeiture of its charter.

**INVESTMENTS PRESCRIBED**—Capital of stock companies must be invested in securities readily convertible into cash, one-half at least of which are not loans secured by real estate. Chap. 87, Laws of 1911, Sec. 1, amended 1913 to read: "No insurance company organized under the laws of this State shall invest its funds in or loan them on its own stock. No such company shall invest or loan any portion of its capital stock or more than thirty per cent of its surplus in or upon the security of the stock of any other company carrying on the same kind of insurance business. No such company shall invest or loan any portion of its capital stock in or upon the security of the stock of any other company owning or holding the stock of any insurance company or companies carrying on the same kind of insurance business, to an amount in excess of 10 per cent of its outstanding capital stock." Stock so held must be sold and disposed of within one year from the date this act takes effect. Time may be extended by the Insurance Commissioner.

**LICENSED BROKERS**—Laws 1911, Sec. 1. "The Insurance Commissioner, upon the annual payment of a fee of \$2 for the use of the State, may issue licenses to residents of the State, subject to revocation at any time, permitting the person named therein to procure policies of fire insurance on property in this State in foreign insurance companies not authorized to transact business in this State, but which are duly authorized to do business in some State having an Insurance Commissioner. All such licenses shall expire annually on the thirty-first day of March." Sec. 2. "Every such licensee shall on or before the tenth day of each month execute and file with the Insurance Commissioner a statement under oath covering all insurance policies procured by him under his said license during the calendar month next preceding, giving the name of the company issuing each of said policies, the name and residence of the insured and the amount, term and premium of each policy and the kind of property insured thereby, and that he was unable to procure in companies admitted to do business in the State the amount of insurance necessary to protect said property. Provided, that such licensed person shall not offer any portion of such insurance to any company which is not possessed of cash assets amounting to at least \$100,000, which shall be determined by the Insurance Commissioner, or one which has within the preceding twelve months been in an impaired condition. And no person, unless he shall be so licensed, shall act or aid in any manner in placing fire insurance on property other than his own in this State in any company which is not duly authorized

to transact business in this State." Sec. 3. "Each person so licensed shall keep a separate account of the business done under the license, a certified copy of which account he shall forthwith file with the Insurance Commissioners, showing the exact amount of such insurance placed for any person, firm or corporation, the gross premium charged thereon, the companies in which the same is placed, the date of the policies and the term thereof, and he shall also file a report in the same detail of all such policies canceled and the gross return premium thereon." Sec. 4. "He shall file with the Insurance Commissioner, in January of each year, a sworn statement of the gross premiums charged for insurance procured or placed, and the gross return premiums on such insurance canceled under such license during the year ending on the thirty-first day of December next preceding, and at the time of filing such statement shall pay to the State Treasurer a sum equal to two per cent of such gross premiums less such return premiums reported." Sec. 5. "The Insurance Commissioner shall have authority at all times to investigate any alleged violations of this act and should he find any to exist he shall report the same to the Attorney-General, who shall take proceedings to collect all fees and taxes which may be due from said licensee; and any person violating or failing to comply with any of the provisions of this act shall be liable to pay a fine of not exceeding \$100 for each violation thereof, and shall forfeit his license to do business under this act for a period of one year." The laws of 1915 provide for the licensing of brokers to deal with authorized companies for which the fee is \$10. A broker's license shall remain in force one year from its date of issue. No fee for this license shall be requested of any agent of a foreign insurance company whose license fees as such agent amount to \$10; should they be less than \$10 he shall pay an amount which will total \$10. Sec. 2. "In addition to issuing licenses giving the full authority to the licensee, as set forth in Sec. 1 of this act, the Insurance Commissioner is authorized, at his discretion, to issue insurance brokers' licenses which limit the authority of the licensee to the extent agreed upon with the applicant and set forth in the license issued to him." Sec. 3. "Companies issuing policies through their agents on application from brokers shall be charged with the broker's knowledge of facts to the same extent as if he were their agent." Sec. 4. "No license under this act shall be required for salaried office clerks of insurance agents covering acts performed within the offices of such agents."

**LIMIT OF A SINGLE RISK**—None for stock companies. For foreign mutuals, one-tenth of the net assets.

**LLOYDS**—No expression in the law appears to include a Lloyds or an individual underwriter.

**MARINE INSURANCE REQUIREMENTS**—In general, same as for fire insurance companies, except as to reserve and capital. See "Mutual Companies," "Capital Required" and "Reinsurance Reserve."

**MISCELLANEOUS**—Sec. 11. "Any person or persons who feel aggrieved

by any rates charged by any fire insurance company doing business in the State may complain to the Insurance Commissioner, who shall hear the parties, and if it appear to him that the rates charged are excessive, he shall fix a reasonable rate, and the rate so fixed shall be binding upon all such companies doing business in the State. If any such insurance company refuses to insure property at the rate fixed by the Insurance Commissioner, it shall be fined \$200 for each offense." Under Chap. 28, Laws of 1911, provision is made for the establishment and maintenance of guaranty surplus and special reserve funds. By a law approved May 7, 1913, Sec. 2, misrepresentation and twisting of any kind is strictly forbidden and is punishable by a fine. See "Anti-Compact." The Commissioner requires an annual fire loss report to be filed before February 1; in case of fire of suspicious character an immediate report is required.

**MUTUAL COMPANIES**—Chap. 169, Sec. 3, amended 1913. "No such mutual insurance company shall be licensed to do business in the State, unless it shall have \$200,000 of cash assets invested as provided in the preceding section, nor unless its assets equal its outstanding liabilities, including reinsurance, to be estimated as in the case of joint stock insurance companies, and including also the amount of its guarantee capital." "Provided, that such a mutual company, if authorized to transact the business of fire insurance only, may be licensed if it possesses a surplus of not less than seventy-five thousand dollars (\$75,000), with also invested assets of not less than one hundred and fifty thousand dollars (\$150,000), with additional contingent assets of not less than one hundred and fifty thousand dollars (\$150,000); or if it possesses a surplus equal to its total liability, with also invested assets of not less than one hundred thousand dollars (\$100,000), which surplus shall be well invested and immediately available for the payment of losses in this State." The above section applies to outside mutual companies. See also "Domestic Companies."

**PRELIMINARY DOCUMENTS**—Company must file certified copy of its charter and by-laws and verified statement. Certificate of compliance with laws of company's home State not required annually. Charter, by-laws and power of attorney need be filed but once.

**PUBLICATION**—No provision. Reciprocal laws apply.

**RECIPROCAL INSURANCE**—No express reference in laws to reciprocals or inter-insurers.

**RECIPROCAL LAW**—Chap. 131, Laws 1911, Sec. 1. "In all cases in which the laws of any other State of the United States now require and may hereafter require that the insurance companies incorporated by the laws of other States shall deposit with some officer of the State in which such insurance company is incorporated stocks or other securities in trust or for the benefit of policyholders of such companies as a condition for doing business in such other States, the Insurance Commissioner shall receive from any insurance company incorporated under the laws of this State stocks or

other securities, in such amount as may be required by the laws of such other State or States, on deposit in trust for the benefit of the policyholders of such company." Chap. 54, Laws of 1891, Sec. 1. "If any State shall by its laws deny any insurance company or citizen of this State any rights or privileges which are granted to insurance companies and citizens of that State, then this State shall in like manner deny to insurance companies and citizens of that State all such rights and privileges, and they shall be subject to all the restrictions and penalties as prescribed by that State to insurance companies and citizens of this State; and if by the laws of any State the Insurance Commissioner or other official shall have power to revoke the license of any company of this State or foreign State for writing insurance upon any person or property of that State, other than through or by a citizen of that State, then the Insurance Commissioner of this State is empowered to revoke the license of any insurance company of that State or any foreign insurance company licensed to do business in this State, that shall write for or through any agent of that State, directly or indirectly, upon any person or property of this State, except the same be written through a duly authorized agent, who shall be a citizen of this State." A law of 1909 provides that if by the laws of any other State, agents, brokers or companies of New Hampshire are prohibited from receiving commissions on policies of fire or casualty insurance written for them by agents or companies doing business in that State on persons or property residing or located therein, the agents, brokers or companies resident in that State shall not be paid any commission, brokerage or other compensation upon any policy written by them, by agents or companies doing business in New Hampshire.

**REINSURANCE**—Chap. 180, Laws of 1911. "No insurance company or surety company not incorporated under the laws of this State, authorized to transact business herein, shall make, write, place, or cause to be made, written, or placed, any policy or contract of insurance or suretyship effective in this State except by an agent who is a resident of this State, regularly commissioned and licensed to transact business herein, and no such company shall by its officers, agents, or managers, not residents of this State, write policies or contracts of insurance or suretyship effective within this State upon blanks previously countersigned by an agent in this State. Life insurance companies and mutual companies writing all policies at their home office are excepted." Sec. 2. "No such fire insurance company or association shall reinsure, in any manner whatsoever, the whole or any part of a risk taken by it on property situated or located in this State in any other company or association not authorized to transact business in this State. No such fire insurance company or association shall reinsure, or assume as a reinsurance company, or otherwise, in any manner or form whatsoever, the whole or any part of any risk or liability, covering property located in this State, of any insurance company or association not authorized to transact business in this State, and the policy of reinsurance

shall in all cases be written by a duly authorized agent residing in this State." Does not apply to insurance upon property or liabilities of railroad or transportation companies.

**REINSURANCE RESERVE**—Fifty per cent of premiums on unexpired fire risks running one year or less from date of policy, a pro rata amount of all premiums on unexpired risks running more than one year. On marine risks other than yearly risks and risks covering more than one passage not terminated, a company shall hold as a reserve the full amount of premiums written in its unexpired policies.

**RESIDENT AGENTS**—Agents of other State and foreign companies must be residents of the State. See under "Reciprocal Law," Chap. 54 and law of 1909; also under "Reinsurance." (The resident agent requirement does not apply to insurance upon property or liabilities of railroads or transportation companies.)

**SEMI-ANNUAL STATEMENTS**—None required.

**STANDARD POLICY**—A standard form of policy is prescribed, which may be changed by the Insurance Commissioner. Chapter 170 of the Public Statutes is required to be printed in every policy contract. It provides, among other things, that descriptions of property and statements concerning value and title are not warranties; that a mistake or misrepresentation, unless fraudulent, does not void a policy unless the difference between the facts and the representations contributed to the loss, when the amount payable is reduced proportionately as the premium paid is to that which should have been paid; that company is chargeable with agent's knowledge; that charge or breach of condition shall not affect policy except during continuance; that the sum insured shall be taken to be the value of the insured's interest in buildings totally destroyed, unless over-insurance was fraudulently obtained; requires notice of fire within thirty days, and adjustment within fifteen days after notice and rebuilding to begin within twenty days after adjustment, if the company elects to repair or rebuild; provides that suit may be begun within six months after notice of fire, etc.

**TAXES**—Chap. 169, Sec. 14. "Every such fire, marine, \* \* insurance company shall pay to the State Treasurer, within one month after receiving notice from the Insurance Commissioner of the amount thereof, a tax of two per cent upon the gross premiums received by it, less return premiums and reinsurance, when effected in authorized companies by the companies' licensed resident agents or in companies organized under the laws of this State, upon business done within the State, during the year ending on the thirty-first day of the preceding December, as assessed by the Commissioner, and a further deduction in the case of all mutual fire insurance companies taxable under the provisions of this section of the amount of all unabsorbed premium deposits actually returned or credited to policyholders upon business in this State during the year for which the tax is determined \* \* \*." See "Reciprocal Law." Mill mutuals pay two per cent on deposit premiums, less dividends.

**TAX STATEMENTS**—Must be filed by February 1 on special tax blanks furnished by the Insurance Commissioner.

**VALUED POLICY**—Public Statutes, Chap. 170, Sec. 5. "If insured buildings are totally destroyed, the sum insured shall be taken to be the value of the insured's interest therein, as such interest is described in the policy, unless over-insurance thereon was fraudulently obtained; if they are only partially destroyed, the insured shall be entitled to his actual damages, not exceeding the sum insured." The standard policy contains the following clause: "This company shall not be liable beyond the actual value of the insured property at the time any loss or damage happens, except on buildings totally destroyed, in which case the full amount of the limitation shall be paid." Penalty for neglect to pay full judgment, suspension of license until payment is made.

#### **COUNTY TAXES AND FEES.**

None.

#### **MUNICIPAL TAXES AND FEES.**

None.

#### **CALENDAR—NEW HAMPSHIRE**

On or before

Feb.	1	Annual statement must be filed. Annual fire loss report must be filed. Tax statement must be filed.
March		(On notice). State premium tax is payable.
April	1	Agents' licenses must be secured. Company license must be secured.

# NEW JERSEY.

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## STATE REQUIREMENTS.

**AGENTS DEFINED**—No definition.

**AGENTS' LICENSES**—Chap. 134, Laws of 1902, Sec. 63. "No officer or agent of any insurance company of another State or foreign country shall make, or procure to be made, or act or aid in any manner in the negotiation of any insurance with such company until he shall procure from the Commissioner of Banking and Insurance a certificate of authority so to do, which shall state in substance that the company is authorized to do business in this State, and that the person named therein is the constituted agent of the company for the transaction of such business. Upon receipt of a certificate by such company of its appointment of a suitable person to act as its agent in this State, said Commissioner shall, if the facts warrant it, grant such certificate, which shall continue in force until the first day of March next after its issue, and by renewal thereof before the first day of March of each year, until revoked by said Commissioner for non-compliance with the laws, or until the appointment of such agent is revoked by written notice from the company to that effect, filed with the Commissioner of Banking and Insurance." Applications for licenses must be signed by company officers, or other representative authorized to appoint agents, and should be filed before expiration of old licenses. But one license is required for a firm or corporation, subject to reciprocal provision. Fee must accompany application. The foregoing applies to marine, as well as to fire insurance companies. Chap. 278, Laws of 1911, as amended by Chap. 132, Laws of 1919: "1. Hereafter every fire insurance company other than life doing business in this State, and each agent thereof shall file with the Commissioner of Banking and Insurance within fifteen days after the 30th day of June and the 31st day of December of each year, a sworn statement, on blanks furnished by said Commissioner, setting forth the names and addresses of all brokers who have done business through said companies or agents during the preceding six months."

**ANNUAL STATEMENTS**—Must be filed in January, showing condition as of December 31 preceding. Time may be extended for good cause by the Commissioner. Statement of company of foreign country to embrace only condition and business in United States. Penalty for failing to file statement within time specified, \$100 for each day's neglect, and company may be notified to cease doing new business while in default. These and tax statements are only ones required annually. The provisions apply to both fire and marine insurance companies.

**ANTI-COINSURANCE**—Chap. 134, Laws of 1902, Sec. 78. "No fire insurance company doing business in this State may issue any policy or

contract of insurance covering property in this State which shall contain any clause or provision requiring the assured to take out or maintain a larger amount of insurance than that expressed in such policy, nor in any way providing that the assured shall be liable as coinsurer with the company issuing the policy for any part of the loss or damage which may be caused by fire or lightning to the property described in such policy, and any such clause or provision shall be null and void and of no effect, provided, that it may be optional with the assured to accept a policy or contract of insurance containing a coinsurance clause or provision when a reduction in the rate for insurance on the property described in such policy is the consideration named in such clause, and when so accepted the coinsurance clause or provision shall be binding on the assured." Under law of April 21, 1909, the "Standard Average or Pro Rata Distribution Clause" may be inserted in policies insuring property in more than one place. See "Rate Schedules to be Filed."

**ANTI-COMPACT**—No provision. (In November, 1909, the Court of Errors and Appeals issued an injunction restraining fire insurance companies and their agents from combining to fix rates, etc., in the territory previously covered by the Newark Fire Insurance Exchange.) See "Rate Schedules to be Filed."

**ANTI-REBATE**—Chap. 162, Laws of 1912. "1. No insurance company or association of underwriters or Lloyds in doing business in this State, and no officer, agent, solicitor or representative thereof, and no broker negotiating any insurance in this State, shall make any contract of insurance or agreement as to such contract other than as plainly expressed in the policy issued thereon concerning the term of policy and the premium consideration thereof; nor pay, allow or give, or offer to pay, allow or give, directly or indirectly, as inducement to insurance, or after the insurance shall have been effected, any rebate, discount, abatement or reduction of the premium named in the policy of insurance, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any valuable consideration or inducement whatever, not specified in the policy contract of insurance; but commissions or other compensation may be paid to regularly appointed and licensed agents, and to brokers duly licensed by this State." 2. "Neither the insured named in any policy of insurance, nor any employee of such insured, shall knowingly receive or accept, directly or indirectly, any such rebate, discount, abatement or reduction of the premium payable on any policy of insurance, as therein expressed, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any valuable consideration or inducement whatever, not specified in the policy contract of insurance." 3. "Nothing in this act shall be construed as prohibiting the performance of any contract heretofore or hereafter made, for the introduction of automatic sprinklers for reducing the risk by fire on any property located in this State, and containing provisions for obtaining or guaranteeing insurance loss or damage by fire or water, for a spe-



cified time, at a fixed rate." 4. "This supplement shall not apply to any contract of life insurance, nor to contracts of insurance upon property located without this State, nor to any contract of title or credit insurance, nor to any contract of insurance upon the mutual plan, nor to any contract of insurance issued by any fraternal society." 5. "Whoever violates any provision of this act shall, for each and every offense, forfeit and pay the sum of \$100, such penalty to be sued for and recovered, with costs, in an action on contract in the nature of an action for debt, in any court of competent jurisdiction in the county wherein the offense shall have been committed, or in any county wherein such offender may reside or be served with process by any person who shall sue for the same; one-half of such penalty shall be for the benefit of the person prosecuting the suit, and the other half shall be paid to the State Treasurer, and in case the defendant in any suit shall not pay the amount recovered against him, it shall be lawful for such court in which such judgment has been obtained to issue its process against the body of the defendant and to cause him to be committed to the jail of the county until the judgment and costs are paid; the imprisonment, however, not to exceed thirty days from the date of such commitment. Any insurance agent or broker who violates any provision of this act shall also forfeit his license and be disqualified from acting as an insurance agent or broker for the period of one year thereafter." See "Rate Schedules to be Filed."

**ATTORNEY**—The Commissioner of Banking and Insurance must be appointed attorney on whom process may be served. This applies to both fire and marine insurance companies.

**CANCELLATION OF POLICY**—Provided for in standard fire policy; five days' notice to insured is necessary.

**CAPITAL REQUIRED**—A domestic stock company must have a paid-up capital of at least \$100,000, with \$50,000 for every kind of insurance more than one which it is authorized to transact. Any company of another State or foreign government must possess an unimpaired capital not less than that required of domestic stock companies. See "Deposit." This applies to marine insurance companies, as well as fire.

**COMMISSIONS TO NON-RESIDENTS**—Sec. 81 is construed as requiring commissions to be paid to resident agents.

**DEPOSIT**—According to Chap. 134, Laws of 1902, Sec. 8, domestic stock companies are required to deposit \$50,000 in prescribed securities, and after commencing business may be required to make further deposit up to \$100,000. Foreign fire or marine companies must have a deposit of not less than \$200,000 nor less than the capital required of a domestic company transacting the same kinds of business. Such deposit must be made in some State of the United States for the benefit of all policyholders in the United States. There is no specific requirement as to the character of the investments to be deposited by foreign companies.

**DOMESTIC COMPANIES**—Chap. 134, Laws of 1902, Sec. 1 (as amended

by Chap. 87, Laws of 1916). "Ten or more persons may become a corporation for the purpose of making any of the following kinds of insurance, to wit: I, against loss or damage to property by fire, lightning or tempest on land, bombardment, invasion, insurrection, riot, civil war or commotion, military or usurped power, whether fire ensues or not, except explosion of steam boilers, pipes, engines, motors and machinery connected therewith or operated thereby. II, upon vessels, freights, goods, moneys, effects, bottomry and respondentia interests, and every insurance appertaining to or connected with marine and inland risks of transportation and navigation, including insurance against loss or damage to automobiles or other vehicles, whether stationary or being operated under their own power, by all or any of the hazards of fire, lighting, tempest, explosion, transportation by land or water, collision, burglary and theft, and against legal liability for damage to property of others resulting from their maintenance and operation; \* \* \* XII, against loss or damage by water to any goods or premises arising from the breakage or leakage of sprinklers, pumps or other apparatus erected for extinguishing fires, and of water pipes, and against accidental injury to said sprinklers and other apparatus." Certificates of incorporation must set forth name of the company, which shall contain the words "insurance company," and which title must not closely resemble that of an existing corporation; also kind of business to be transacted, location of principal office, which must be within this State, amount of capital, number of shares, par value, and period of duration of the company. Capital must be at least \$100,000, if a stock company, and \$50,000 additional for each kind of business transacted more than one, or \$10,000 in notes if a mutual company. A stock company must deposit \$50,000 with the Commissioner of Banking and Insurance, and after commencing business must make further deposits up to \$100,000, if required by the Commissioner.

**EXAMINATIONS**—Chap. 134, Laws of 1902, Secs. 56, 62, 72. "The Commissioner of Banking and Insurance shall have the power whenever he deems the same expedient, to make or cause to be made an examination of the assets and liabilities, method of conducting business and all other affairs of every insurance company authorized to transact business in this State, and for the purpose of said examination may employ such person or persons to assist therein or conduct the same, as he may deem advisable, which examination may be conducted in any State or country in which the company examined is incorporated or has an office, agent or place of business. \* \* \* Whenever any insurance company of this State shall become insolvent or shall suspend its ordinary business for want of funds to carry on the same, or whenever the Commissioner of Banking and Insurance shall ascertain, as the result of an examination, as authorized by this Act, or in any other manner, that any such insurance company is exceeding its powers, or violating the law, or that its condition or methods of business are such as to render the continuance of its operations haz-

ardous to the public or to its policyholders; or in the case of any stock insurance company other than a life insurance company, that its assets, after charging it with an amount requisite for the reinsurance of all its outstanding risks and with its other liabilities, including capital stock up to the minimum amount required by this Act, amount to less than such minimum amount of capital stock; or, in the case of any mutual insurance company other than life, if the assets, less unsettled claims and other actual liabilities amount to less than the sum requisite for reinsurance, \* \* \* said Commissioner may apply by bill of complaint to the Court of Chancery for an injunction to restrain such company from the transaction of further business and from disposing of any of its assets and for the appointment of a receiver to wind up the said company; upon being satisfied of the truth of the allegations in such bill of complaint, the Chancellor may thereupon grant an injunction as prayed for, but permit the directors of the company to continue its business for the purpose of fulfilling the existing obligations of such company, or, in his discretion, may appoint a receiver, \* \* \*

Certificates to foreign company found to be in an unsound condition may be revoked. Expenses must be paid by company examined.

**FEES**—For certificate of incorporation of either a fire insurance or a marine insurance company, 20 cents for each \$1000 of authorized capital stock; in no case to be less than \$25; for certificate of amendment of same, \$20; for all certificates not hereby provided for, \$5; for filing certified copy of charter, \$20; for filing annual statement, \$20; for each certificate of authority to an agent of other than a domestic company, \$2; for each license to an insurance broker, \$10; license to procure insurance in unauthorized companies, \$20; for certificate of qualification of company, \$1; for service of legal process, \$2; for each copy of any paper filed with the Commissioner, 8 cents a sheet; for certifying same, \$1. Fees payable to Commissioner of Banking and Insurance. See "Reciprocal Law."

**FIRE DEPARTMENT TAX**—Chap. 240, Laws 1885, Sec. 1. "Each fire insurance company not organized under the laws of this State shall, on the first day of January and of July of each year, cause to be made to the treasurer of the duly incorporated firemen's relief association of each city, town or borough, township, or portion of a township, or fire district in which any property may be situated on which such company may have taken an insurance risk, a true return in writing, verified by the oath of an officer of such company, showing the amount of all premiums received by such company during the six months next preceding the respective times above set for making of such returns, for insurance, by said company, against loss or injury by fire, upon property in such city, town, etc.; and such company shall, within one month after the respective times above provided for the making of said returns, pay to said treasurer the sum of \$2 upon each \$100, and at that rate upon the amount of all such premiums received or agreed to be paid as aforesaid within said six months." Penalty for non-compliance, revocation of license. Agents and brokers are also re-

quired to make like returns on January 1 and July 1, and to pay a two per cent tax within one month thereafter, which is credited on the company's account. Penalty for neglecting to make returns, or for making false returns, fine of \$500 and revocation of license. [Note.—This tax is not additional to, but a part of the State tax mentioned under "Taxes."]

**FIRE MARSHAL**—No provision.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—Not required to be filed by a foreign fire or marine insurance company, except on first application for admission to State.

**GENERAL PENALTY**—A general penalty of \$500 and costs is imposed for all violations of law except failure to file annual statement.

**IMPAIRMENT**—The authority of a company of another State or foreign country may be revoked if its assets above its liabilities, exclusive of capital and inclusive of unearned premiums, are less than the required minimum amount of capital or net assets. (See "Examinations.")

**INVESTMENTS PRESCRIBED**—Chap. 134, Laws of 1902, Sec. 16; amended by Chap. 40, Laws of 1918. "Any insurance company of this State, for the purpose of investing its capital, surplus and other funds, or any part thereof, may purchase or hold as collateral security or otherwise, and sell and convey any bonds or public stock issued or created by the United States, or by this State, or by any of the other States of the United States, or the District of Columbia, or by any of the incorporated cities, counties, townships or other municipal corporations thereof, or bonds authorized to be issued by any commission appointed by the Supreme Court of this State, or invest said capital, surplus and other funds, or any part thereof, in bonds or notes secured by mortgages or trust deeds on unencumbered real estate located within said States, or the District of Columbia, worth at least one-half more than the sum invested or loaned; provided, that for the purposes of this section real estate subject to lease in whole or in part whereby rents or profits are reserved to the owner, shall not be considered encumbered; or lend on or purchase mortgage bonds of railroad companies organized under the laws of said States, or the District of Columbia, or of the Dominion of Canada, or operated wholly or partly in such States or country; or the capital stock, bonds, securities or evidences of indebtedness created by any corporation of the United States or any State." Chap. 61, Laws of 1909. "Any insurance company of this State doing business in any foreign country may invest so much of its funds as are required to meet the obligations incurred in such foreign country and in conformity to the laws thereof, on the same kind of securities issued in such foreign country that such company is by law allowed to invest in this State, and subject to the limitations imposed by law in this State." Companies are authorized by Chapter Laws of 1917 to invest in bonds issued by any Federal land bank or organized under the act of Congress approved July 17, 1916. Domestic companies may acquire real estate sufficient for

the accommodation of their business only; that conveyed to them in satisfaction of debts previously contracted, or that purchased at sales upon judgments, decrees or mortgages obtained or made for such debts, must be sold or otherwise conveyed within five years from the date the company acquired title thereto. Time of sale may be extended by the Chancellor for sufficient cause. Foreign companies may acquire real estate in the same manner as domestic companies.

**LICENSED BROKERS.**—Chap. 134, Laws of 1902, Sec. 81, as amended by Chap. 314, Laws of 1920, provides that the Commissioner of Banking and Insurance may, upon application in such form as he may prescribe, license any suitable person as a broker to negotiate contracts of fire insurance or reinsurance or place risks or effect fire insurance or reinsurance for others than himself for a compensation, with any qualified domestic insurance company or its agents, or with the authorized agent in this State of any insurance company of another State or foreign country duly admitted to do business in this State; and may, upon similar application, license any suitable person as a broker to negotiate contracts of insurance or reinsurance other than fire, or place risks or effect for a compensation, with any qualified domestic insurance company or its agent, or with the authorized agent in this State of any insurance company of another State or foreign company duly admitted to do business in this State; for each of such licenses a fee of ten dollars shall be paid, authorizing the licensee thus to act until the thirty-first day of December then next, and on payment of a similar fee the license may be renewed from year to year. The Commissioner of Banking and Insurance may revoke any such license at any time for cause shown after hearing given to the licensee. Special agents may be licensed to deal with unauthorized companies, as follows: Chapter 134, Laws of 1902, Sec. 82, provides that the Commissioner of Banking and Insurance may issue a license to any citizen of the State, revocable at any time, permitting the person named therein to procure fire insurance as agent on property in New Jersey in unauthorized companies, after filing an affidavit with said Commissioner to the effect that after diligent effort the agent has been unable to find insurance in authorized companies to the full amount required on such property. Such licensed person shall not be required to offer any portion of such insurance to companies whose assets are less than \$25,000, or to companies which have, within the preceding twelve months, been in an impaired condition. Each person so licensed shall keep a separate account of such business done under this license, which shall at all times be open to the inspection of said Commissioner, or person employed by him to inspect the same; and to keep an exact account of each transaction, the amount insured, company accepting same, and gross premiums charged thereon, together with the date of policies and the term thereof. It is also necessary to file a bond with the Commissioner of Banking and Insurance in the penal sum of \$3000 for a guarantee that the person so licensed will comply with all the requirements

of this act, and will pay to said Commissioner, or where such policies cover risks in any city, town, borough, township or portion of township, or fire district in the State of New Jersey, which now has, or may hereafter have, a duly incorporated firemen's relief association, to the treasurer of such association, in January and July of each year, the sum of \$3 for each \$100 of gross premiums charged under such license during the preceding six months.

**LIMIT ON A SINGLE RISK**—Ten per cent of net assets. Deductions of reinsurances in authorized companies are allowed, only net risks being considered. Fine for violation, \$500.

**LLOYDS**—Chap. 204, Laws of 1915, provides for the licensing of partnerships or associations known as Lloyds, whereby each member becomes proportionately liable for all losses, to transact a general fire, marine and sprinkler leakage business. Underwriters must file a sworn statement with the Commissioner of Banking and Insurance setting forth the title assumed; the location of the principal offices; a copy of the power of attorney; copies of the forms of policies to be used; the name and address of all underwriters proposing to engage in the business; an appointment of the Commissioner of Banking and Insurance as attorney for service of legal process; the kinds of insurance to be transacted; that a fund for protection of United States policyholders is in possession of the attorney or some responsible member of the firm invested in prescribed securities to the sum of \$100,000 if the Lloyds are to transact one class of business and \$50,000 for each additional class, such amount to be in excess of all liabilities. Each underwriter must be worth at least \$20,000 above his liabilities and there must be fifteen underwriters. If the application is satisfactory the Commissioner may issue a license which must be renewed annually. Alien underwriters must deposit \$5000 in cash or prescribed securities, unless an association to which he belongs has \$100,000 deposited with some State in the United States for the protection of United States policyholders, or unless the alien underwriter is one of association of whom nine-tenths are citizens of the United States. Before the issuance of a certificate of authority the Insurance Commissioner may make an examination of the association. All underwriters subsequently admitted to the Lloyds are bound by the same conditions as affected the originals. Information must be furnished the Commissioner of Banking and Insurance on request. No risk shall be carried subject to a loss in excess of 10 per cent of the net cash and invested assets, and of the underwriting liability of the underwriters. They shall be liable to the same tax and fees as apply to fire insurance companies. Persons violating any of the provisions of this act are guilty of a misdemeanor and liable to a fine of not less than \$50 and not more than \$500.

**MARINE INSURANCE REQUIREMENTS**—In general are same as for fire companies. See under various titles.

**MISCELLANEOUS**—False or misleading advertisements are forbidden.

Upon failure of appraisers for ten days to choose an umpire, either the insurer or the company may apply to the inferior Court of Common Pleas of the county in which the fire loss to be adjusted occurred, to appoint an umpire. Chap. 340, Laws of 1911, provides that failure of insured to furnish proofs of loss shall not be or considered a waiver of any rights accruing under the policy of insurance unless after said loss within sixty days' notice in writing, that said company desires said proofs of loss, be furnished the person so insured. Companies and agents must file, within fifteen days after June 30 and December 31, lists of brokers with whom they have done business in the preceding six months.

**MUTUAL COMPANIES**—May be organized by not less than ten persons, and begin business with \$10,000 of notes; but to transact all classes specified in Subdivision I (see page 331) must have \$100,000 of premiums paid in in cash. Other State mutual companies may be admitted if in possession of net cash assets equal to the capital required of a stock company. See "Domestic Companies."

**PRELIMINARY DOCUMENTS**—A fire or marine insurance company, when applying for admission to the State must file certified copy of charter, verified statement showing that it has at least an amount of capital equal to that required of a domestic company of the same class (above liabilities), appointment of Commissioner of Banking and Insurance as attorney, upon whom process may be served. Certificate of compliance with laws of home State must be filed annually in January.

**PUBLICATION**—Statements of fire or marine companies not required to be published except under reciprocal provision. (See "Miscellaneous.")

**RATE SCHEDULES TO BE FILED**—Chap. 85, Laws of 1913. Sec. 1. No corporation, firm, association, individual or aggregation of individuals, hereinafter called "insurer," doing the business of insurance within this State, shall fix or make any rate or schedule of rates, or charge, demand, collect or receive, directly or indirectly, or through any special rate, tariff, drawback, rebate, concession, device or subterfuge, a rate for insurance which discriminates unfairly between risks within this State of essentially the same hazard; nor shall any insurer against the hazards of fire or legal liability of employers make any such insurance within this State except in accordance with general basis schedules, embodying basis rates, charges, credits, terms, conditions, permits, standards and other data necessary to the computation of equitable rates and rules of practice for such insurance, which general basis schedules, embodying basis rates, charges, credits, terms, conditions, permits, standards and other data used for the determination of rates, shall be filed by such insurer or its agent or expert duly authorized, with the Commissioner of Banking and Insurance within three months after this act goes into effect, or with the amendments to such general basis schedules which may be filed with the Commissioner of Banking and Insurance from time to time thereafter. Any one or more of such insurers, singly or jointly, may employ for the

making of such general basis schedules and rates and the filing of the same the services of such experts as it or they, may deem advisable for such purpose. Every such insurer or agent shall, within ten days after written demand therefor, furnish to any person, upon whose property or risk a rate has been made by said insurer, or to his authorized representative, full information as to such rate, and if such property or risk be rated by schedule applying particularly to each risk, a copy of such schedule, and shall provide such means as may be approved by the Commissioner of Banking and Insurance whereby any person or persons affected by such rate may be heard on an application for a change in such rate. Whenever it is made to appear to the satisfaction of the Commissioner of Banking and Insurance that any such rate or general basis schedule or amendment thereof discriminates unfairly between risks within this State of essentially the same hazard, or that any insurer has made any insurance within this State at any rate not in accordance with the general basis schedule or amendment thereof filed by it, he may, after a full hearing, either before himself or before any salaried employee of the department of banking and insurance, whose report he may adopt, order such discrimination removed, or such rate corrected in accordance with such general basis schedule or amendment thereof; and all such insurers affected thereby shall forthwith comply with such order; nor shall such insurers or any of them remove such discrimination by increasing the rates on any risk or class of risks affected by such order unless it is made to appear to the satisfaction of the Commissioner of Banking and Insurance that such increase is justifiable.

Sec. 2. Any insurer, agent, expert, person or corporation violating any of the provisions of this act shall be subject to a penalty of five hundred dollars for each and every violation, to be sued for and recovered by the Commissioner of Banking and Insurance, or by any citizen of this State and paid to the State Treasurer.

**RECIPROCAL INSURANCE**—No special provision. Chap. 204, Laws of 1915 relating to Lloyds does not apply to reciprocals or inter-insurance exchanges.

**RECIPROCAL LAW**—Chap. 134, Laws of 1902, Sec. 66; amended, Chap. 66, Laws of 1904. "When by the laws of any other State or foreign country, or the rules, regulations, requirements or impositions thereof, or of any department or officer thereof, any taxes, fines, penalties, licenses, fees, deposits of moneys or of securities or other obligations, prohibitions or restrictions additional to, or in excess of, those imposed by the laws of this State upon insurance companies of such other State or country or their agents, are imposed on insurance companies of this State doing business in such other State or foreign country, or upon their agents therein, so long as such laws, rules, regulations, requirements or impositions continue in force, the same excess taxes, fines, penalties, licenses, fees, deposits, obligations, prohibitions and restrictions, of whatever kind, shall be imposed upon all such insurance companies of such other State or for-



eign country doing business within this State, and upon their agents here; and whenever pursuant to or under authority of the laws of any other State or foreign country, or the rules, regulations, requirements or impositions thereof, or of any department or officer thereof, or otherwise, the government of any such other State or foreign country, or any department or officer thereof, shall refuse to accept as conclusive the certificate of the Commissioner of Banking and Insurance of this State as to the results of any examination he shall cause to be made of the assets and liabilities, method of conducting business and other affairs of any insurance company of this State, the said Commissioner of Banking and Insurance of this State shall refuse to accept as conclusive any and all similar certificates made in or by, or by any department or officer of, such State or foreign country where the acceptance of the certificate of the Commissioner of Banking and Insurance of this State is refused as aforesaid, concerning any and every insurance company thereof; and if any insurance company of this State shall be refused or denied license, permission, privilege or authority to transact or to continue to transact its business in any other State or foreign country by reason of such refusal of conclusive acceptance of any such certificate of the Commissioner of Banking and Insurance of this State, or if any insurance company of this State authorized to transact its business in this State, after complying with all the laws, rules, regulations, requirements or impositions of any other State or foreign country, or of any department or officer thereof, over and above such as would be met and fulfilled by the conclusive acceptance of such certificate of the Commissioner of Banking and Insurance of this State, shall be refused or denied license, permission, privilege or authority to transact or to continue to transact its business in any such other State or foreign country, then and in every such case every insurance company of every such other State or foreign country where any such insurance company of this State is refused or denied license, permission, privilege and authority to transact or to continue to transact its business as aforesaid, shall be refused and denied license, permission, privilege and authority to transact or to continue to transact any business in this State, and any license or authority to it or them theretofore given shall be, by the Commission of Banking and Insurance of this State, revoked and annulled; and whenever pursuant to or under authority of the laws of any other State or foreign country, or the rules, regulations, requirements or impositions thereof, or of any department or officer thereof, or otherwise, the government of any such other State or foreign country, or any department or officer thereof, shall refuse or deny license, permission, privilege and authority to any insurance company of this State to transact or to continue to transact its business in such other State or foreign country, if it shall be determined by the Commissioner of Banking and Insurance of this State, whose determination thereupon shall be final and conclusive, that such refusal or denial of license, permission, privilege or authority as last aforesaid, is unreasonable or

unfair, then the Commissioner of Banking and Insurance of this State shall refuse or deny license, permission, privilege or authority to transact or to continue to transact any business in this State to each and every such company of every such other State or foreign country where any such insurance company of this State is so refused or denied as last aforesaid, and any license or authority to it or them theretofore given shall be by the Commissioner of Banking and Insurance of this date, revoked and annulled."

**REINSURANCE**—Reinsurance of risks by admitted companies in those not licensed to do business in the State, while not expressly forbidden by the statutes, is held by the Commissioner of Banking and Insurance to be "clearly violative of the intent and spirit of such laws," i. e., those prohibiting, under penalty, the placing of insurance on New Jersey property in companies not legally qualified to operate in that State.

**REINSURANCE RESERVE**—Fifty per cent of premiums on risks running one year or less, and pro rata for longer terms.

**RESIDENT AGENTS**—Chap. 134, Laws of 1919, Sec. 80. as amended by Chap. 134, Laws of 1919. "No insurance company of another State or foreign country except a life insurance company may transact business in this State except through duly constituted and appointed agents resident herein, whose principal place of business is located in this State and who shall maintain a bona fide duly operated business office in this State and shall issue and countersign all policies and contracts so issued. This section shall not apply to direct insurance covering the rolling stock of railroad corporations operating between different States or property received for shipment from one State to another while in the possession or custody of railroad corporations or other common carriers." This provision applies only to agents of fire insurance companies.

**SEMI-ANNUAL STATEMENTS**—See "Fire Department Tax."

**STANDARD POLICY**—A standard form of policy, similar to that prescribed by the laws of New York State on July 4, 1892, is required to be used. Penalty for violation, fine of \$500 for each offense. Size and shape of policy, etc., must be approved by the Commissioner of Banking and Insurance.

**TAXES**—Chap. 134, Laws of 1902, Sec. 65, as amended by Chap. 224, Laws of 1916, requires that annually on or before the fifteenth day of February in each year, every fire or marine company shall pay to the Commissioner of Banking and Insurance a tax of two per centum on the gross amount of premiums received by such companies on business in this State for the preceding calendar year, including all premiums received from other companies for reinsurance of them, less return premiums and premiums paid for reinsurance in other companies of other States or foreign countries licensed to do business in this State. Taxes paid to the Treasurer of any firemen's relief association or police pension fund of New Jersey by fire companies of other States and countries and their agents (under laws of May 2, 1885) are considered a part of this 2 per cent tax. This tax is in lieu of all other franchise taxes upon fire and marine companies. Domestic

companies are taxed locally upon their full capital paid in and accumulated surplus, less assessed value of real estate owned, which is taxed where situated, and the assessment thereon is deducted from the assessment upon the capital stock and surplus. No premium or other franchise tax is imposed upon such companies. (See "Reciprocal Law" and "Fire Department tax.")

**TAX STATEMENTS**—Must be filed by fire and marine companies by February 15. See also "Fire Department Tax."

**VALUED POLICY**—No requirement.

None. **COUNTY TAXES AND FEES.**

**MUNICIPAL TAXES AND FEES.**

None, except to firemen's relief associations, which is a part of the State tax.

**NEWARK**—Underwriters Protective Association (Salvage Corps), two per cent on premiums.

On or before **CALENDAR—NEW JERSEY**

Jan.	1	Fire department tax statements to be filed.
Jan.	15	Company must file names and addresses of all brokers with whom they have done business during the preceding six months.
Jan.	31	Certificate of compliance must be filed.
Jan.	31	Annual statement must be filed.
Feb.	1	Fire department tax is payable.
Feb.	15	Premium tax is payable. Tax statement must be filed.
March	1	Agents' licenses should be secured.
July	1	Fire department tax statements to be filed.
July	15	Company must file names and addresses of all brokers with whom they have done business during the preceding six months.
Aug.	1	Fire department tax is payable.

# NEW MEXICO.

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## STATE REQUIREMENTS.

**ADJUSTERS' LICENSES**—Adjusters are required to have same licenses as agents with same fee and same date of expiration.

**AGENTS DEFINED**—See "Agents' Licenses."

**AGENTS' LICENSES**—Codification of 1915, Sec. 2813. "It shall be unlawful for any person, company or corporation in this State either to procure, receive or forward applications for insurance in or to issue or to deliver policies for any company or companies not having complied with the provisions of this act, or to adjust any loss of the business of insurance with any such company, unless duly authorized by such company and licensed by the Corporation Commission, in conformity with the provisions of this act, and any person violating the provisions of this section shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall for each and every offense, be punished by a fine of \$500 or imprisonment for six months in the county jail, or both, in the discretion of the court." Companies must supply their agents with copies of their certificates of authority, which expire on the last day of February. License required for each member of a firm. Agency corporations are not recognized, and licenses must be secured by individuals who aid such corporations in the transaction of business.

**ANNUAL STATEMENTS**—Must be filed on or before March 1. Penalty for making false entry or statement, fine not exceeding \$1000 and imprisonment for from two months to five years. Only statements required are those to be filed with State Corporation Commission.

**ANTI-COINSURANCE**—No prohibition of use of coinsurance clauses.

**ANTI-COMPACT**—Codification of 1915, Sec. 2868. \* \* \* "That they shall not charge any higher rates than those charged on the first day of January, 1897." Penalty for violation, fine of \$100 to \$1000.

**ANTI-DISCRIMINATION**—No provision.

**ATTORNEY**—The Superintendent of Insurance must be authorized to accept service of process.

**CANCELLATION OF POLICY**—Provision must be made in policy for cancellation and return of unearned premium.

**CAPITAL REQUIRED**—Other State companies must have \$200,000 capital. See "Domestic Companies."

**COMMISSIONS TO NON-RESIDENTS**—Commissions must be received by resident agents.

**DEPOSIT**—Codification of 1915, Sec. 2868. "No fire insurance company shall be permitted to do any business in this State until such company, in addition to other requirements of law, shall deposit with the Treasurer

of this State the sum of not less than \$10,000 in lawful money of the United States, or in bonds of the State of New Mexico, or some county or city thereof, of the par value of \$10,000, in territorial or county bonds, or real estate, which deposit shall be held for the benefit and security of the policyholders residing in the State of New Mexico, with the condition that said deposit shall not be surrendered to such company until all claims in this State shall have been satisfied." Penalty for non-compliance, fine of \$100 to \$1000. Foreign companies must have at least \$200,000 on deposit with the officials of some State or Territory. An underwriters agency must make deposit in the same manner as a company.

**DOMESTIC COMPANIES**—Codification of 1915, Sec. 2847: "When any number of persons associate themselves for the purpose of forming an insurance company for any other purpose than life insurance or the insurance of titles to real estate, they shall publish a notice of such intention once in each week for four consecutive weeks in some newspaper in the county in which said insurance company is proposed to be located, and they shall also make a certificate under their hand specifying the name assumed by such company and by which it shall be known; the object for which said company shall be formed; the amount of capital stock and the place where the principal office of said company shall be located, which certificate shall be acknowledged before, and certified by some notary public or clerk of the court of record, and forwarded to the Superintendent of Insurance, who shall submit the same to the Attorney-General for examination, and if it shall be found by the Attorney-General to be in accordance with the provisions of this act and not in conflict with the Constitution and laws of the United States and this State he shall make a certificate of the facts and return it to the Superintendent of Insurance, who shall reject the name or title applied for by any company when he shall deem the same too similar to any one already appropriated by any other company or likely to mislead the public." Sec. 28. "No joint stock company shall be incorporated under the provisions of this act with a smaller paid-up cash capital as provided for in this act." No mutual insurance company shall do any business in the State unless possessed of an actual paid-up cash guaranty fund of not less than \$100,000.

**EXAMINATIONS**—Codification of 1915, Sec. 2808. The Superintendent may, with the consent of the Governor, whenever he deems it prudent, visit and examine, or cause to be visited and examined by some competent person or persons he may appoint for that purpose, any insurance company applying for admission or already admitted to do business in this State. Such examination shall include a thorough inspection and examination into its affairs, especially as to the financial conditions and ability of said company to fulfill its obligations to the policyholders and whether it has complied with the laws of this State and such company shall pay the proper charges incurred in such examination, including the expenses of the Superintendent or his deputies, and the ex-

penses and compensation of his assistants employed therein. \* \* \* The Superintendent may also make an examination with the consent of the Governor, of any such company, upon the request of five or more of the stockholders, creditors, policyholders or persons pecuniarily interested therein, who shall make affidavit of their belief, with specifications of their reasons therefor in writing that such company is in an unsound or insolvent condition: Provided, That only the United States branches of all foreign companies in this State may be examined by said Superintendent." Penalty for refusing information, fine not exceeding \$500 or imprisonment not exceeding three months.

**FEES**—Codification of 1915, Sec. 2810. "There shall be paid by every insurance company doing business in this State, to the Corporation Commission the following fees, viz.: For filing the certified copy of articles of incorporation required by this act of the organization of each company, \$50; for filing power of attorney and statement preliminary to admission, \$50; for filing copy of its charter or deed of settlement and examination thereof, \$50; for filing annual statements, \$20; for certificate of authority to transact business in this State, \$2; for each copy of certificate of authority for use of agents, \$2; for each copy of any paper filed in his office, 20 cents; for affixing the seal of his office and certifying any paper, \$1." The Superintendent also receives \$2 for each copy of process. See "Publication." See "Reciprocal Law."

**FIRE DEPARTMENT TAX**—The fire department tax law of 1897 was repealed, and Codification of 1915, Sec. 2360, provides "that the treasurer shall annually on the first day of August each year, pay to the treasurer of the fire departments of every city, town or village in this State a sum of money equal to the amount received by such fire department under Sec. 2132 of the compiled laws of 1897 during the year 1904." A law passed in 1907 provided that fire companies that had been organized in cities since 1904 should thereafter share in the insurance fund with departments previously organized. We are advised by the State Corporation Commission that the Supreme Court has decided that the insurance fund is not abolished. The present plan is as follows: The "New Mexico Association of Firemen" receives \$2000 on August 1 (instead of ten per cent of receipts of the Insurance Department). The following-named cities and towns receive on August 1 the respective sums named instead of the sums heretofore paid: Carlsbad, \$600; Roswell, \$1200; Springer, \$500; Santa Fe, \$1200; Las Vegas, \$800; East Las Vegas, \$800; Alamogordo, \$600; Albuquerque, \$2250; Silver City, \$700; Deming, \$700; Socorro, \$500; Las Cruces, \$700; Tucumcari, \$500; Raton, \$1200; Clayton, \$500; Artesia, \$500; Gallup, \$500; Clovis, \$300; Hagerman, \$300; Portales, \$300; Chama, \$300. A Law of 1915 provides for the payment by the Treasurer of the State of New Mexico to the treasurers of the fire departments in the cities listed the sum of money stated, such money to be collected from the fire companies and used solely for the

benefit of the fire departments. The departments obtaining this money will use it according to the dictates of their respective city officials and annually report the receipts and disbursements to the State Auditor.

**FIRE MARSHAL**—None.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—None required.

**GENERAL PENALTY**—For any violation of the act of February 9, 1905, revocation of license, which latter shall not be renewed for six months thereafter. Penalty for any violation of the Compiled Laws of 1897, a fine not exceeding \$1000, and imprisonment for from thirty days to six months.

**IMPAIRMENT**—Certificate of unsound companies to be revoked.

**INVESTMENTS PRESCRIBED**—The capital and accumulated funds of a domestic company may be invested in bonds and mortgages on real estate in New Mexico worth at least double the amount loaned thereon, or in bonds of any railroad, transportation or other dividend-paying corporation or in bonds of any State or Territory, or in bonds or treasury notes of the United States, or in the stocks and bonds of any county or incorporated city in any State or Territory which may have been legally authorized to be issued by the legislature, or may lend the same or any part thereof on the security of any of the above, provided that the current market value of such securities shall be at all times during the continuance of such loan at least twenty per cent more than the amount loaned thereon. No domestic company shall purchase or hold real estate except such as may be necessary for the convenient accommodation of its business, and all other real estate acquired in the legitimate course of its business in satisfaction of debts legally contracted, shall be sold within three years after the date on which such company perfected its title thereto, but time may be extended for the sale by the State Superintendent for sufficient cause.

**LICENSED BROKERS**—No provision.

**LIMIT ON A SINGLE RISK**—Ten percent of paid-up capital and surplus (net).

**LLOYDS**—Codification of 1915, Sec. 2864. "Nothing in this act shall be so construed as to prevent any number of persons, not exceeding 200, from making mutual pledges and giving valid obligations to each other for their own insurance from loss by fire or death; but such associations or persons shall in no case insure any property not owned and specified by one of their own number; nor shall the provisions of this act be applicable to such associations or companies; provided, such associations or companies shall in no case pay any salary or compensation to officers, agents or other employees, and shall receive no premiums nor make any divisions." Chap. 5, Sec. 19, of Laws of 1905, as amended in 1909, defines "insurance company" as including "all corporations, associations, partnerships or individuals engaged as principals in the insurance business, excepting fraternal and benevolent orders or societies." See "Reciprocal Insurance."

**MISCELLANEOUS**—A company may operate under one additional title by designating such title and making an additional deposit of \$10,000.

**MUTUAL COMPANIES**—See "Domestic Companies." Mutual companies are forbidden to write upon the "stock plan."

**PRELIMINARY DOCUMENTS**—Codification of 1915, Sec. 2815. "No insurance company, not incorporated, or organized under the law of this State, shall transact any insurance business in this State, unless it shall first file in the office of the Superintendent of Insurance a duly certified copy of its charter, or articles of incorporation, or deed of settlement together with a statement, under oath, of the president and secretary, or other chief officers of said company, showing the condition of affairs of such company on the 31st day of December next preceding the date of such oath. The statement shall be in the same form and shall set forth the same particulars as the annual statement required by this act, and shall also, before permission is given to transact business and before the renewal of its certificate of authority, file a certificate signed by its president or chief officer to the effect that all the provisions of this act are accepted by it as a part of the conditions of its right and authority to transact business in this State." Articles of incorporation, or charter, and power of attorney, need be filed but once.

**PUBLICATION**—Codification of 1915, Sec. 4650. "Every fire and life insurance company doing business in this State shall annually publish once only in the English language in some newspaper of general circulation in each county in the State, a statement of the financial condition of such company." The Attorney-General has given his opinion that one publication in one newspaper having a general circulation in every county is sufficient. There are three newspapers published in New Mexico which meet this requirement. Legal rate, 30 cents per 100 ems for first insertion, and 20 cents per 100 ems for each subsequent insertion, payable to publisher.

**RECIPROCAL INSURANCE**—The Attorney-General has made a ruling that no corporation in New Mexico can use inter-insurance or reciprocal underwriters' fire insurance. See "Lloyds."

**RECIPROCAL LAW**—Codification of 1915, Sec. 2865. "Whenever the existing and future laws of any State or Territory of the United States shall require of insurance companies incorporated by or organized under the laws of this State, having agencies in such other State or Territory, or of the agents thereof, any deposit of securities in such State or Territory for the protection of policyholders or otherwise, or any payment for taxes, fines, penalties, certificates of authority, license fees or otherwise greater than the amount required for such purposes from similar companies of other States and Territories, by the then existing laws of this State, then, and in every such case, all companies of such States or Territories, establishing, or having heretofore established, an agency or agencies in this State, shall be, and are hereby, required to make the same deposit for a like purpose with the Auditor of this State, and to pay said Auditor



for taxes, fines, penalties, certificates of authority, license fees, or otherwise, an amount equal to the amount of such charges and payments imposed upon, or required by, the laws of such State or Territory, of the companies of this State or the agents thereof."

**REINSURANCE**—No express prohibition of reinsurance in unlicensed companies, but authorized companies are forbidden to reinsure New Mexico risks of unauthorized companies. Reinsurances must be reported. See "Resident Agents."

**REINSURANCE RESERVE**—Fifty per cent of premiums on unexpired risks under one year, and pro rata on all risks having more than one year to run.

**RESIDENT AGENTS**—Codification of 1915, Sec. 2820, reads: "It shall be unlawful for any foreign insurance company to make, write, place or cause to be made, written or placed in this State any insurance policy or contract of any kind to provide against contingency which may be insured or guaranteed against, unless the same shall be made, written or placed through its duly and regularly appointed and authorized agent or agents, residents of this State. It shall be unlawful for any insurance company authorized to do business in New Mexico, its representative, manager, general agent, special agent, local agent, broker or solicitor, to pay or promise to pay, either directly or indirectly, any fee, brokerage or other emolument of any nature to any person, firm or corporation not a resident of the State of New Mexico, for the obtaining, placing or writing of any policy or policies of insurance covering property in New Mexico." Penalty for violation, suspension for not less than one year, renewed on written pledge from directors of future observance. Reinsurance policies need not be countersigned by a resident agent.

**SEMI-ANNUAL STATEMENTS**—None required.

**STANDARD POLICY**—No requirement. New York form generally used. Policy forms must be filed.

**TAXES**—Codification of 1915, Sec. 2810. "\* \* \* All insurance companies, partnerships or associations engaged in the transaction of the business of insurance in this State shall annually on or before the first day of February in each year, pay to the Superintendent of Insurance two per centum on the gross amount of premiums received, less returned premiums, within this State during the year ending the previous 31st day of December; and insurance companies shall be subject to no other taxation than herein provided, except upon real estate." According to an opinion of the Attorney-General, deduction is permissible for reinsurance premiums paid to authorized companies.

**TAX STATEMENTS**—Must be filed on or before February 1.

**VALUED POLICY**—No provision.

**MUNICIPAL TAXES AND FEES**

**ALAMOGORDO**—For each agent, \$10, payable annually.

**ALBUQUERQUE**—For each agent, \$10, payable upon commencing business.

**CARLSBAD**—There is an occupation tax on agents; each agent, \$20.

**CLAYTON**—For each agent, \$10, payable annually.

**CLOVIS**—For each agent, \$10 per annum.

**LAS CRUCES**—For each company, \$10 per annum.

**RATON**—For each agent, \$11 annually, payable on commencing business.

**ROSWELL**—For each company, \$10; for each agent, \$10 per annum, payable quarterly, January 1, April 1, July 1 and October 1.

**SANTA FE**—For each agent, \$6 for first six companies; after, \$1 per company.

**SILVER CITY**—For each agent, \$10, payable quarterly.

**TUCUMCARI**—For each agent, \$10, payable annually or quarterly.

**CALENDAR—NEW MEXICO**

On or before

Feb. 1 Premium tax is payable. Tax statement must be filed.

Feb. 28 Agents' and adjusters' licenses must be secured. Company license must be secured.

March 1 Annual statement must be filed.

No date set

by law Publication of statement once in each county should receive attention.

Aug. 1 Fire department tax is payable.

# NEW YORK.

## STATE REQUIREMENTS.

**ADJUSTERS' LICENSES**—Adjusters of fire losses are required to obtain license, the actual cost of which is \$25 for an individual. If a firm or corporation, \$25 for each member of firm or officer of corporation actively engaged in the business. Adjusters' certificates of authority expire on the 31st day of December of the calendar year for which the same has been issued, and if an application for the renewal of any such certificate shall have been filed with the Superintendent of Insurance before January 1 of any year, the certificate of authority sought to be renewed shall continue in full force and effect until the issuance by the Superintendent of Insurance of the new certificate applied for or until five days after the Superintendent of Insurance shall have refused to issue such new certificate and shall have served notice of refusal on the applicant therefor. (Sec. 138a.)  
Penalty for violation, revocation of license and \$500 fine.

**AGENTS DEFINED**—Ins. Law, Sec. 142, as amended by Laws of 1918: "The term 'agent' in this section shall include an acknowledged agent or any person, partnership, association or corporation who shall in any manner aid in transacting the insurance business of any underwriter, incorporated or unincorporated, by negotiating for or placing risks or delivering policies or collecting premiums, but shall not include the officers and salaried employees of any such underwriter, who do not receive commissions."

**AGENTS' LICENSES**—Each agent must procure a certificate of authority (expiring December 31). Superintendent of Insurance must have on file evidence of agent's authority from each underwriter for whom he acts. Application for renewal, if filed before January 1, entitles agent to continue to act as such until issuance of new certificate or five days after notice of refusal. Penalty for violation, revocation or refusal of license and fine of \$500. The Attorney General has ruled that section 65 precludes an insurance agent or broker from receiving commissions on risks placed on own property.

**ANNUAL STATEMENTS**—Must be filed by February 15, showing condition as of December 31 preceding. Penalty for failure to make annual statement as required, \$500, and \$500 for each month the company remains in default and continues to transact business. For making deceptive statements, \$500 for first, and \$1000 for each subsequent offense. In 1908, the Insurance Department began requiring brief quarterly statements from domestic companies and United States branches of foreign companies. Capital statements are required to be filed on February 15 for foreign companies. An amendment to Sec. 45 (Chap. 426) requires foreign country corporations admitted to do business in this State to make a statement of all insurance transactions outside the United States with insured corporations within the United States and affecting risks resident, located or originating in the United States, notwithstanding such transactions were

not done through an attorney of such corporations within the United States, and further provides that such insurance corporation shall as to all such transactions report premiums, pay taxes and hold reserves thereon and be charged with the same duties and liabilities, and its policyholders resident within the United States shall have the same rights, as if such transactions had been done through its attorney or manager within the United States; a violation of the section shall be sufficient cause for revocation by the Superintendent of Insurance of the license issued to such foreign country corporation. The Superintendent of Insurance is authorized by Sec. 46 to include in his reports companies' statements as audited and corrected by him.

**ANTI-COINSURANCE**—No statute prohibiting use of coinsurance clauses.

**ANTI-COMPACT**—No provision.

**ANTI-DISCRIMINATION**—No company or representative thereof may make any contract in respect to insurance other than that expressed in the policy nor allow a rebate from the premium to the insured or any employee of such insured, nor give anything of value as an inducement to insurance except that articles of merchandise, not exceeding one dollar in value and containing advertising matter, may be distributed. Premiums must be paid for temporary insurance.

**ATTORNEY**—The Superintendent of Insurance must be appointed attorney to accept service of legal process for foreign corporations.

- **BROKERS' LICENSES**—Sec. 143. No underwriter, or agent thereof, etc., shall pay any commission to any person not duly authorized as agent unless said person has a certificate of authority as a broker. Nor shall anyone act as a broker without first procuring such certificate. "The superintendent of insurance shall issue such broker's certificate of authority to a person, partnership, association or corporation, applying therefor, who is trustworthy and is competent to transact an insurance brokerage business in such manner as to safeguard the interests of the insured." Each member of a partnership or officer of a corporation acting as a broker must be qualified and must pay the fee required. No license issued until a written application has been filed, except that brokers engaged in military, naval, Red Cross or civilian service in connection with the War who are unable to make personal application, may be relicensed upon complying with certain requirements set forth in Sec. 143. No person shall act as a broker without securing a certificate of authority, which must be renewed annually and expires December 31, unless an application for renewal has been filed on or before December 31. Agents' or brokers' certificates may be revoked for at least one year for violation of the insurance law or for fraudulent practices, and any violation of this law is also punishable by a fine of \$500. See "Agents Defined." The term "broker" is defined as including any person, partnership, association or corporation who for money, commission or anything of value acts or aids in any manner on behalf of the insured in negotiating contracts of in-

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insurance or placing risks or taking out insurances, including surety bonds. A broker may be authorized to act as agent for an underwriter for the collection of premiums. Agents and brokers writing marine or transportation policies must now be licensed, but a broker's certificate does not permit the holder thereof to deal in life insurance.

**CANCELLATION OF POLICY**—Ins. Law, Sec. 122, provides for cancellation of policies by the insured.

**CAPITAL REQUIRED**—Companies must have at least \$200,000 of paid-up capital. Under the provisions of Sec. 12 of the Insurance Law, no company can be authorized under the laws of New York State for the transaction of fire or marine insurance with a smaller capital than \$200,000, the same to be paid in in cash; and a new company must have an initial surplus equal to at least fifty per cent of its capital stock. Insurance Law, Sec. 27. "Insurance companies of any State or country outside of the United States authorized to transact fire or marine business in New York State shall have securities or other property deposited with Insurance Departments or State officials and held in trust by a trustee or trustees for the protection of all policyholders and creditors within the United States as follows: (a) If licensed for fire insurance only, \$200,000 deposited with the Superintendent of Insurance in this State, and \$300,000 deposited with Insurance Departments or State officers or so held in trust. (b) If licensed for marine business only \$200,000 with the Superintendent of Insurance and \$100,000 deposited with Insurance Departments or State officers or so held in trust, or (c) If licensed to do both fire and marine insurance, \$400,000 with the Superintendent of Insurance of this State, and \$400,000 deposited with the Insurance Departments or State officers or so held in trust \* \* \*" Capital statements must be filed annually on or before February 15.

**COMMISSIONS TO NON-RESIDENTS**—No provision.

**DEPOSIT**—Foreign companies of other countries transacting fire or marine insurance must deposit \$200,000 with the New York Insurance Department in securities of the following classes: Ins. Law, Sec. 13. "Every deposit made with the Superintendent of Insurance by any domestic or foreign insurance corporation, shall be in the stocks or bonds of the United States or of this State, or in the bonds of a county or incorporated city in this State, authorized to be issued by the legislature, not estimated above their par or their current market value. Such deposit may be made by an insurance corporation incorporated under the laws of another State of the United States in the stocks or bonds of such State or in the bonds of a county or incorporated city therein authorized to be issued by the legislature, not estimated above their par or their current market value; provided that similar domestic insurance corporations doing business in such State are authorized by the laws thereof to deposit or hold as security therein for the benefit or security of their policyholders and creditors in such State like securities of this State. Such

deposit may be made by an insurance corporation incorporated under the laws of a country outside of the United States authorized to do business in this State in the stocks or bonds of such country or of any province or city therein, or, if any securities other than those above named are offered as a deposit, they may be accepted at such valuation and on such conditions as the Superintendent of Insurance may direct, provided that similar domestic insurance corporations doing business in such country outside of the United States are authorized by the laws thereof to deposit or hold as security therein for the benefit or security of their policyholders and creditors in such country the stocks or bonds of the United States, the stocks or bonds of this State or of any county or incorporated city in this State and securities of the same general character as those which are offered for deposit in the Insurance Department; and provided, further, that if any country makes a deduction from the value of the securities deposited by similar domestic corporations, a similar deduction shall be made from the securities deposited in the Insurance Department by corporations incorporated under the laws of such country. If the market value of any of the securities which have been deposited by any company shall decline below that at which they were deposited, the Superintendent of Insurance shall call upon the company to make a further deposit, so that the market value of all securities deposited by any such company shall be equal to the amount which it is required to deposit." All deposits heretofore made pursuant to this chapter, and all deposits which shall or may hereafter be made pursuant thereto, and the proceeds thereof, shall be held in trust according to the law relating thereto without preference or priority for, or on account of any cause or causes whatsoever to any beneficiary entitled to share therein. New Sec. 26a (added by L. 1920, Chap. 563) defines meaning of term "United States" when used in this chapter as to insurance corporations organized outside the United States. Sec. 27 provides that in addition to the \$200,000 required to be deposited with the Insurance Department, a company of another country must have at least \$300,000 additional deposited with Insurance Departments or trustees within the United States.

Any alien insurance company licensed to do fire insurance only may transact marine insurance, and any alien marine insurance company may transact fire insurance when it has complied with the deposit requirements of such companies. After December 31, 1919, separate financial statements will not be required for each class of business. Sec. 26 operates as a reciprocal provision against companies located in States requiring deposits from New York companies. See "Reciprocal Law."

**DOMESTIC COMPANIES**—Insurance Law, Sec. 110. "Thirteen or more persons may become a corporation for the purpose of making insurances on dwelling houses, stores and all kinds of buildings and household furniture, and other property against loss or damage, including loss of use or occupancy, by fire, lightning, windstorm, tornado, cyclone, earthquake, hail,

frost or snow, weather or climatic conditions, including excess or deficiency of moisture, flood, rain or drought, rising of waters of the ocean or its tributaries, bombardment, invasion, insurrection, riot, civil war or commotion, military or usurped power, and by explosion whether fire ensues or not, except explosion on risks specified in subdivision 7 of section 70 of this chapter, also against loss or damage by insects or disease to farm crops or products and loss of rental value of land used in producing such crops or products, and also against loss or damage by water or other fluid to any goods or premises arising from the breakage or leakage of sprinklers, pumps or other apparatus erected for extinguishing fires, or other conduits or containers, or by water entering through leaks or openings in buildings, and of water pipes, and against accidental injury to such sprinklers, pumps, apparatus, conduits, containers or water pipes, and upon vessels, boats, cargoes, goods, merchandise, freights and other property against loss or damage by all or any of the risks of lake, river, canal and inland navigation and transportation, as well as by any or all of the risks specified in Sec. 150 of this chapter, including insurances upon automobiles and aeroplanes, seaplanes, dirigibles or other aircraft, whether stationary or being operated under their own power, which shall include all or any of the hazards of fire, explosion, transportation, collision, loss by legal liability for damage to property resulting from the maintenance and use of automobiles and aeroplanes, seaplanes, dirigibles or other aircraft and loss by burglary or theft, vandalism or malicious mischief or the wrongful conversion, disposal or concealment of automobiles whether held under conditional sale, contract or subject to chattel mortgages or any one or more of such hazards, but shall not include insurance against loss by reason of bodily injury to the person, and to effect reinsurances of any risks taken by it, by filing in the office of the Superintendent of Insurance a declaration signed by all of them of their intention to form a corporation for the purpose of transacting the business of making any or all of such insurances, which shall comprise a copy of the charter proposed to be adopted by them, setting forth the name of the corporation, the place of location of its office, the mode in which its corporate powers are to be exercised and its directors elected, a majority of whom shall be citizens of this State, and if a stock corporation, the owner in his own right of at least \$500 of the stock of the corporation, at its par value, the mode of filling vacancies in the office of director, the period for the commencement and termination of its fiscal year and the amount of capital to be employed in the transaction of its business; provided that corporation including in its charter a provision to assume any of the risks of ocean marine insurance, as specified in Sec. 150 of this chapter, must have a capital, paid in cash, of at least \$400,000. No such declaration shall be filed unless the person signing the same shall have previously published twice a week for three successive weeks (See ch. 415 amending Sec. 110); a notice of their intention to form such a corporation in a public newspaper

in the county where its office is to be located. Every such corporation shall be known as a fire insurance corporation. No such corporation shall directly or indirectly deal or trade in buying or selling any goods, wares, merchandise or other commodities whatever, except such articles as may be insured by it and are claimed to be damaged by any cause so insured against. Any such corporation which by its charter is authorized to make insurance against loss or damage by explosion, as defined in this section, may make insurances against loss or damage to property caused by bombardment, invasion, insurrection, riot, civil war or commotion, or military or usurped power." The name of a new company must not so closely resemble that of a company already authorized in this State as to be calculated to deceive. Town and county co-operative fire associations are now under the supervision of the Insurance Department. Art. IX, Sec. 260. Marine insurance companies may give the same coverage as to automobiles, airplanes, seaplanes, dirigibles or other aircraft, vandalism or malicious mischief as is granted to fire insurance corporations under Sec. 110. Stock marine companies having a cash capital of \$400,000 may amend their charters so as to assume all the powers of a fire company under Sec. 110. An amendment passed in 1920, Chap. 564, authorizes the merger of two domestic marine insurance companies; the merger of a domestic marine and domestic fire insurance corporation with a foreign State fire or marine insurance corporation which has been duly admitted to transact business in this State. Protection and indemnity mutual marine corporations may be formed under Sec. 162 to insure against personal injuries, damage to other craft, and other hazards.

**EXAMINATIONS**—Ins. Law, Sec. 39, provides that the Superintendent of Insurance shall, as often as he deems it expedient, and at least once in five years, examine into the affairs of any insurance corporation doing business in New York State, and into the affairs of any insurance corporation being organized under any law of New York or having an office in that State, or which is holding the capital stock of one or more insurance corporations for the purpose of controlling the management thereof as voting trustee or otherwise. Chap. 418, Laws of 1920, amends Sec. 124 by requiring examination on extension of a joint stock fire corporation only when ordered by the Superintendent.

**FEES**—Foreign insurance companies of other countries only filing declaration and certified copy of charter, \$30; filing annual statement, \$20; certificate of authority to company, \$2; certificate of deposit, \$5. Other State companies' fees governed by reciprocal law. Where no fees are charged by another State no fee is charged by this State to insurance companies of such State doing business here. For each certificate of authority and certified copy thereof, and for each certificate of deposit, valuation or compliance, not exceeding \$5; for each copy of paper on file, per folio, 10 cents; for affixing official seal, \$1; for each copy of process, \$2. Foreign companies, certificate of compliance, \$5. See "Reciprocal



Law." See summary of Sec. 142, under "Agents' Licenses." License fees for agent of companies of other States are governed by the reciprocal law. Brokers' certificate of authority, after January 1, 1916, for an individual, \$10 in a city of the first class; \$7.50 in a city of the second class; \$5 in a city of the third class, and \$2 elsewhere in the State. For non-residents, \$10; but in case such non-resident does not solicit in a New York State city of the first or second class, \$5. For partnerships or corporations with one member or officer acting, same fee as individuals, and for each additional member or officer acting an additional fee equal to that paid by an individual. Public adjusters' fee, for individual, \$25. No fee is charged domestic companies for filing annual statements or charter, and other State companies' fees are governed by the reciprocal provision. Authority to remit all fees is vested in the Superintendent of Insurance, and they are remitted as to other State companies except when required by the Reciprocal Law. (Sec. 33, Ins. Law.) Fees are payable to the Superintendent of Insurance. The expense of an examination is borne by the company examined, unless remitted by the Superintendent.

**FIRE DEPARTMENT TAX**—Ins. Law, Sec. 133, provides for a tax of two per cent on premiums received for insurance of property located in each city or town (except New York and Buffalo) having a fire department, payable February 1 by agents of foreign companies to treasurer of fire department, or if there is no treasurer, to the treasurer or fiscal agent of the city or town. Agents of foreign companies located in cities or towns having fire departments must file bonds, to secure payment of fire department tax, in penal sum of \$500. A tax of two per cent on gross premium receipts must be paid by the agents of foreign companies (reinsurance companies excepted) doing business in New York for insurance against loss or injury by fire in the city of New York to the trustees of the Exempt Firemen's Benevolent Fund. (See Chap. 378, Laws of 1897, as amended; sections 798-812 being a part of the charter of Greater New York.) Similar tax in city of Buffalo is provided for in Chap. 105, Laws of 1891, Sec. 265. Agent may file one bond to cover all companies he represents. Bond required in New York City, \$1000. Penalty for violation, \$200 for each offense.

**FIRE MARSHAL**—None.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—Must be filed by June 15, covering the preceding calendar year (there is no specific requirement in the law covering this point). See amendment to Sec. 45, under "Annual Statements."

**GENERAL PENALTY**—Sec. 53. "Any corporation or person violating any provision of this chapter, except where such violation constitutes a felony, shall, in addition to any penalty otherwise prescribed for such violation, be guilty of a misdemeanor." See "Reciprocal Law."

**GUARANTY AND SPECIAL RESERVE FUNDS**—Sec. 130 made provision for the creation, by any domestic fire insurance company, of a guaranty

surplus fund and a special reserve fund for the purpose of re-establishing a company in case of its having assets consumed by conflagration losses. A company which has established such funds shall not pay dividends exceeding 7 per cent until after its guaranty surplus fund and its special reserve fund shall have together accumulated to an amount equal to its capital stock; and until such funds have reached the amount indicated, the entire surplus profits of a corporation above such annual 7 per cent dividend shall be equally divided between and set apart to constitute such guaranty surplus and special reserve funds. However, no company could establish such guaranty surplus and special reserve funds after June 1, 1915. The Law also specifies how such funds shall be invested, and the proceedings to be taken in case of an extensive conflagration.

**IMPAIRMENT**—Every insurance corporation whose assets and credits are not sufficient to reinsure its outstanding risks in a solvent insurance corporation, shall be deemed insolvent and may be proceeded against as an insolvent corporation. Ins. Law, Sec. 41, requires that when a domestic Company's capital is impaired to the extent of 25 per cent, the Superintendent shall issue a written requisition to the corporation to require its stockholders to make good the amount of impairment or deficiency within such period as he may designate, not less than thirty nor more than ninety days from the service of the requisition. In the case of a foreign insurance corporation, the Superintendent shall revoke the certificate of authority issued to such corporation, and shall cause a notice thereof to be published in the State paper for four weeks, and such corporation, its agent or agents, shall discontinue the issuing of any new policies in New York State. Sec. 63 provides for the liquidation of delinquent insurance corporations. Sec. 27 provides that an alien fire insurance company shall not transact business in New York unless it shall have within the United States, deposited with Insurance Departments or held in trust as in the law provided, not less than \$500,000.

**INVESTMENTS PRESCRIBED**—Sec. 16. "The cash capital of every domestic insurance corporation required to have a capital, to the extent of the minimum capital required by law, shall be invested and kept invested in the stocks or bonds of the United States or of this State, not estimated above their current market value, or in the bonds of a county or incorporated city in this State authorized to be issued by the legislature, not estimated above their par value or their current market value, or in bonds and mortgages on improved unencumbered real property in this State worth fifty per centum more than the amount loaned thereon. The cash capital of every foreign insurance corporation to the extent of the minimum capital required of a like domestic corporation shall be invested and kept invested in the same class of securities specified for domestic insurance corporations, except that like securities of the home State or foreign country shall be recognized as legal investments for the amount of the minimum capital required. The residue of the capital and the surplus money and funds of

every domestic insurance corporation over and above its capital, and the deposit that it may be required to make with the Superintendent, may be invested in or loaned on the pledge of any of the securities in which deposits are required to be invested, or in the public stocks or bonds of any one of the United States, or in bonds and mortgages on improved unencumbered real property in this State worth fifty per centum more than the amount loaned thereon, or except as in this chapter otherwise provided, in the stocks, bonds or other evidence of indebtedness of any solvent institution incorporated under the laws of the United States or of any State thereof; or in such real estate as it is authorized by this chapter to hold; but no such funds shall be invested in or loaned on its own stock or the stock of any other insurance corporation carrying on the same kind of insurance business. \* \* \* Any domestic insurance corporation may, by the direction and consent of two-thirds of its board of directors, managers or finance committee, invest, by loan or otherwise, any such surplus moneys or funds in the bonds issued by any city, county, town, village or school district of this State, pursuant to any law of this State. Every such domestic corporation doing business in other States of the United States or in foreign countries may invest its funds in the same kind of securities in such other States or foreign countries as such corporation is by law allowed to invest in this State. Amendment of 1920 imposes same restriction on investments of mutual companies as are now imposed on the investments of stock companies transacting the same kind of business. Chap. 422. An amendment of 1920 provides that all mutual insurance companies must invest assets to amount of minimum capital required of a stock corporation transacting the same kind of business in the securities in which such stock corporation is required to invest its minimum capital and that the residue of the assets of such companies over and above such amount may be invested in or loaned on the pledge of the securities or property in which such stock corporations may invest or loan the residue of their capital and surplus funds. Sec. 18. All bonds or other evidences of debt held by any life insurance corporation authorized to do business in this State shall, if amply secured and if not in default as to principal or interest, be valued as follows: If purchased at par, at the par value; if purchased above or below par, on the basis of the purchase price adjusted so as to bring the value to par at maturity and so as to yield meantime the effective rate of interest at which the purchase was made; provided that the purchase price shall in no case be taken at a higher figure than the actual market value at the time of purchase, and provided further that the Superintendent of Insurance shall have full discretion in determining the method of calculating values according to the foregoing rule, and the values found by him in accordance with such method shall be final and binding; provided, also, that any such corporation may return such bonds or other evidences of debt at their market value or their book value, but in no event at an aggregate value exceeding

the aggregate of the values calculated according to the foregoing rule. The Superintendent of Insurance may, at any time, in his discretion, require any insurance corporation, other than a life insurance corporation, authorized to do business in this State to value its bonds or other evidences of debt in accordance with the foregoing rule." A company is authorized to hold real estate requisite for its convenient accommodation and transaction of its business, and to take over real estate under foreclosure of mortgages or in settlement of debts; but the latter must be sold within five years after the acquirement of title.

**LICENSED AGENTS IN EXCEPTED CASES**—Sec. 137 authorizes the Superintendent of Insurance, in consideration of the yearly payment of \$200, except in counties having less than 100,000 inhabitants, in which case the fee shall not exceed \$25, to issue to citizens, firms or corporations having places of business in New York State, not exceeding 200 in number, a license, revocable at any time, permitting the party named in such license to act as agent to procure policies of fire and war risk insurance from corporations, persons, partnerships and associations which are not otherwise authorized to do business in this State. Affidavits that sufficient insurance cannot be obtained in authorized companies must be executed by both insured and licensed agent, and such affidavits must be filed within thirty days after the procuring of such insurance with Superintendent of Insurance and Clerk of the county in which insured property is located. Such agent shall file bond of \$2000, conditioned that he will pay to the Firemen's Association, or where there is a fire patrol or salvage corps to its treasurer, a sum equal to three per cent of net premiums on policies procured under this license, in July and January of each year, and in the case of war risk insurance, a tax of 3 per cent to Insurance Department.

**LIMIT ON A SINGLE RISK**—Sec. 24 fixes a limit of ten per cent of capital and surplus. Reinsurance in authorized companies not included. Does not affect marine insurance. Under an amendment of 1920, Chap. 563, the provisions of the section are made applicable to stock corporations only. See "Foreign Mutual Companies." Limit for assessment co-operative company, \$7,000 on one risk; for advance premium co-operative, \$5,000.

**LLOYDS**—Sec. 9 of the Insurance Law forbids the transaction of insurance business by any corporation or individual, as principal, without a certificate from the Superintendent of Insurance. Sec. 54 provides that no person, partnership or association of persons shall transact insurance business, otherwise than as agent of an authorized person or corporation, unless possessed of the capital required of an insurance corporation doing the same kind of business, which is to be invested in the same manner; nor unless he or they shall have made such deposit as is required of a corporation doing the same class of business, nor until duly authorized by the Superintendent of Insurance. "No such person, partnership or association shall transact business under a corporate or fictitious name or

under any name, style or title other than the true name of such person, or of the persons comprising such partnership or association." However, Sec. 300 provides that Lloyds or interinsurers or individual underwriters who were lawfully and actually engaged in business on October 1, 1892, may continue such business by complying with the provisions of the law. Sec. 302 specifies conditions under which Lloyds or interinsurers claiming to have been doing business on October 1, 1892, may continue business and secure authority therefor, one of the requirements being that each one of the underwriters shall be worth, in his own right, \$20,000, net. All changes must be reported to the Superintendent. An amendment of 1920, Chap. 416, permits inter-insurance associations transacting business on Oct. 1, 1892, to amend their articles of agreement so as to include power to make any or all kinds of insurance specified in articles 110 and 150 upon complying with the requirements of Sec. 304 as to the establishment and maintenance of a guaranty fund and reserve. After January 1, 1911, Secs. 6, 7, 9, 16, 20, 21, 22, 36, 39, 40, 44, 45, 46, 47, 48, 49, 53, 63 and 118 are made applicable to Lloyds and interinsurers.

Sec. 304 provides that on and after July 1, 1911, twenty-five or more persons, partnerships or corporations may engage in fire or marine insurance as Lloyds or inter-insurers upon receiving a certificate of authority from the Superintendent of Insurance. The application for such certificate of authority shall be signed by the attorney-in-fact of the underwriters, and must set forth the name of the association, its location, the kinds of insurance to be written, a copy of the articles of the association or inter-insurance contract; names and addresses of all underwriters or inter-insurers; the appointment of one or more attorneys-in-fact upon whom legal process can be served, and who shall be residents of the State, and that a fund of at least \$200,000 has been contributed by the subscribers as a guarantee fund for the policyholders and is in possession of the attorney or attorneys-in-fact, either in cash or invested in securities, as specified in Sec. 16. Such an association must at all times have sufficient funds above \$200,000 to meet all its liabilities, including unearned premiums on policies in force; must not change its name without first obtaining the approval of the Superintendent of Insurance nor establish branches; must have its assets either in cash or invested as prescribed by Sec. 16, and shall in general keep the Insurance Department advised of any changes in its location or organization. Service of process on the attorney or attorneys-in-fact shall be equivalent to personal service of such process on each underwriter in the State. Funds of such association shall not be subject to the claims of general creditors of any of the underwriters, other than policyholder creditors, until all policies under which any such underwriter is obligated have been terminated, and in that event the claims of such general creditors shall not be paid from such a fund or be a lien upon any part thereof beyond an amount which, when paid, will leave intact and in the possession of such association an amount equal to the full unearned premiums on all

policies in force, and in addition the sum of \$200,000. An amendment in 1919 provides that hereafter a Lloyds, to transact both fire and marine insurance must in all cases have \$400,000.

Sec. 305 provides that on and after July 1, 1911, the Superintendent of Insurance may, in his discretion, issue certificates of authority to Lloyds or inter-insurance associations domiciled in other States to transact the kinds of insurance specified in Secs. 110 and 150. In general, the information required of an applicant for a license is similar to that which must be filed by a new domestic association under Sec. 304. By an amendment passed in 1920 (Chap. 417) the attorney-in-fact of an association having 500 or more members may execute and file the declaration and agreement required by Sec. 305, etc. Sec. 306 provides for the conversion of a Lloyds to a stock company.

**MISCELLANEOUS**—Any person holding a policy of other than a domestic company must show such policy to the treasurer of the fire department on request, or he is liable to a fine of \$100. Fire insurance companies are permitted to insure against damage by earthquake and sprinkler leakage. Marine companies may accept risks of transportation from point of shipment to destination. Foreign fire company of another country may, if empowered by its charter, establish an ocean marine department by making an additional deposit. Foreign marine companies may also do a fire business on making a deposit of \$400,000. Marine companies may cover the same risks in connection with automobile insurance as may be covered by fire insurance companies, as set forth in Sec. 110. See "Domestic Companies." Judgment for attorney's fees, not exceeding 5 per cent, against insurance company when losing case. (N. Y. Code of Civil Proc. 3253.)

Promotion or holding companies are under supervision of the Insurance Department. (Ins. Law, Sec. 66.)

**MUTUAL COMPANIES**—Sec. 111: "No domestic mutual fire insurance corporation shall commence business, if located in the city of New York, as said city existed on the first day of October, eighteen hundred and ninety-two, or in the county of Kings, nor establish any agency for the transaction of business in either New York or Kings County, until agreements have been entered into for insurance with four hundred applicants, citizens of this State and freeholders, each owning real estate within this State of the value of at least five thousand dollars, the premiums on which insurance shall amount to two hundred thousand dollars, of which forty thousand dollars shall have been paid in in cash, and notes of solvent parties, founded on actual and bona fide applications for insurance, shall have been received for the remainder. No such corporation in any other county of the State shall commence business until agreements have been entered into for insurance with at least two hundred applicants, citizens of this State and freeholders, each owning real estate within this State to the value of at least two thousand five hundred dollars, the premiums on which

insurance shall amount to one hundred thousand dollars, of which twenty thousand dollars shall have been paid in in cash and notes of solvent parties, founded on actual and bona fide applications for insurance, shall have been received for the remainder. No one of such notes shall amount to more than five hundred dollars, no two shall be given for the same risk, or be made by the same person or firm, except where the whole amount of such notes shall not exceed five hundred dollars. No such note shall be represented as capital stock unless a policy be issued upon the same within thirty days after the organization of the corporation upon a risk located within this State, and such policy shall be for no shorter period than one year. Such notes shall be called capital stock notes and shall be payable, in part or whole, at any time when the directors shall deem the same requisite for the payment of losses and such incidental expenses as may be necessary for transacting the business of the corporation. The solvency of each of the makers of such notes shall be examined into by the Superintendent of Insurance, or by one or more competent and disinterested persons specially appointed by him for that purpose. No note shall be received as a capital stock note unless the maker thereof shall be approved by the Superintendent of Insurance, or by the person or persons appointed by him for that purpose, as being pecuniarily good and responsible for the same, and is also owner of real estate as required by this section, nor until such note has been finally approved by the Superintendent of Insurance. No such note shall be valid as a capital stock note, unless the corporators or officers of such corporation shall certify under oath that it is the bona fide property of the corporation. No domestic mutual fire insurance corporation transacting business with capital stock notes or deposit notes shall underwrite any property not located within this State, or reinsure policies written upon such property by other insurance corporations." A declaration and copy of charter and proof of publication of notice of intention to form a corporation must be filed with the Superintendent of Insurance, and then subscription books may be opened.

Article IX of insurance law provides for the organization and operation of co-operative fire insurance companies, which are mutual in character and which now are required to report to the State Insurance Department.

Mutual companies of other States may be licensed on filing the usual documents and payment of the usual fees; but such company must have at least \$5,000,000 of insurance in force on not less than two hundred separate risks, and shall have done business in its home State for at least ten years, and have had at least \$5,000,000 of insurance in force in each of the five years immediately preceding its application for admission to New York. It must maintain a pro rata unearned premium reserve (except that a company collecting advance deposit premiums to guarantee future assessments must maintain a reserve equal to 100 per cent thereof, in lieu of any unearned premium reserve thereon), and have on deposit with the Insur-

ance Department of New York or a fiscal officer of its home State, the sum of \$200,000, or have a surplus of at least \$50,000, with additional contingent assets of at least \$300,000; or a surplus of \$75,000 and \$150,000 of contingent assets; or a surplus exceeding \$75,000 and equal to its total liabilities, and contingent assets of at least \$100,000. If such company does not keep on deposit the sum of \$200,000, it shall not issue policies under which policyholders are not liable to assessment. No such company shall be exposed to loss to an amount exceeding ten per centum of its actual net and contingent assets upon property not protected by automatic sprinklers situated within the boundaries of one city block or on one group of buildings composed of attached or adjacent buildings which have less than sixty feet of clear space at all points between such building and other buildings. Such companies may assume all the risks enumerated in Sec. 110 except ocean marine insurance.

**Mutual Automobile Fire Insurance.**—Chapter 14 of the Laws of 1916 amended the insurance law by providing for the incorporation of mutual automobile fire insurance corporations. It is known as Article 10-A of the insurance law. Twenty-five or more persons may organize such a corporation. No policies may be issued until at least one thousand persons owning at least fifteen hundred automobiles have applied for insurance. The premium income must be at all times maintained at or over \$30,000 per annum. Sec. 63 applies to mutual automobile, fire and casualty corporations.

**PRELIMINARY DOCUMENTS**—Foreign companies must file with the Superintendent of Insurance a certified copy of charter or certificate of incorporation, a verified statement showing financial condition as near as may be to date of application, written appointment of Superintendent of Insurance as attorney for service of process and an agreement to transact, while authorized to operate in the State, only such business as may be transacted by a similar domestic corporation. Company must obtain from the Superintendent a certificate of authority to do business. No agent shall transact business in the State for any foreign company without a certificate of authority from the Insurance Department, and until he has filed a copy of the Superintendent's certificate of authority in the office of the clerk of the county in which he resides, when representing a company operating for the first year in this State. See "Publication." See "Mutual Companies."

Forms to be used by companies of other countries preparatory to the licensing of such companies by the New York Insurance Department are given below. The Department requires a certificate, under seal, from the government department having supervision of insurance companies in the country in which a company applying for admission to New York is domiciled, stating that the company is legally authorized to transact in that country the class of insurance it is proposing to do in the United States. This certificate, authenticated by a United States consul, must



either be in the English language or must be accompanied by an English translation made by an official translator.

The Deed of Trust required by Section 27 of the New York law must be authorized by the directors or board of managers of the company in resolutions reading substantially as follows:

"Resolved, That a trust for the general benefit and security of all the policyholders and creditors of this company in the United States, and for the uses and purposes more particularly set forth and described in a certain deed of trust submitted to the board of directors at this meeting, be and the same hereby is created; and be it further

Resolved, That .....  
 \*(a corporation duly organized and existing under and by virtue of the laws of the State of.....) be and the same hereby is duly appointed the trustee of said trust to administer the same in accordance with the provisions of the aforesaid deed of trust; and be it further

Resolved, That .....and  
 (Name and Title of Officers or Directors.)

.....of this company be and they  
 (Name and Title of Officers or Directors)

hereby are authorized to execute, by their signatures and by affixing the corporate seal of this corporation, the aforesaid deed of trust."

This resolution must be perfected by proper signatures, corporate seal and certificate of United States Consul (see printed instructions on Deed of Trust).

(Here insert the corporate name of the company in the English language, adding, if its corporate name is in a foreign language, this following: "incorporated under the name of.....")

(Here insert the kinds of insurance business which the foreign corporation is authorized to transact under its charter or articles of association.)

\* If individuals are to be appointed, eliminate the language in parentheses referring to a corporation and give in place thereof the names of at least three individuals, stating that they are citizens of the United States, with their addresses, and change the words "is" and "trustee" to "are" and "trustees."

The Deed of Trust form and instructions for completing it are as follows, for use in appointing a corporate trustee. The form for appointing individual trustees differs from it only in such particulars as are due to the naming of and referring to individuals, instead of to a corporate trustee, and providing that, in the absence or inability to act of one of the trustees, the other two may perform the duties imposed by the trust deed. A company applying for forms for admission should specify whether it intends to appoint a corporate trustee or individual trustees.

### "DEED OF TRUST

"(To be used by insurance companies of other countries in the appointment of a United States corporate trustee, pursuant to the requirements of the statutes of such states.)

(CORPORATE TRUSTEE)

"THIS INDENTURE, made this.....day of.....  
 in the year one thousand, nine hundred and....., between  
 .....

of the city of....., in the.....of.....  
 a corporation organized under the laws of the.....of.....  
 hereinafter called 'the company,' party of the first part, and.....  
 .....of the city of.....  
 in the State of....., a corporation organized under  
 the laws of the State of....., in the United States  
 of America, hereinafter called 'the trustee,' party of the second part,  
 Witnesseth:

"Whereas, under and pursuant to the provisions of the statutes of  
 certain of the States of the United States, an insurance company or-  
 ganized under the laws of a foreign country and transacting business in  
 such States is required to maintain in the United States a trust fund for  
 the protection of all its policyholders and creditors in the United States,  
 and to appoint a trustee or trustees as custodian or custodians of said  
 trust fund; and

"Whereas, the company is a foreign insurance company duly organ-  
 ized and existing under the laws of....., and carry-  
 ing on the business of.....insurance;

(Here insert the kinds of insurance business which the foreign corporation  
 is authorized to transact under its charter or articles of association.)

"Therefore, to the end that the statutes of such States may be fully com-  
 plied with:

"Know All Men by These Presents, that the company has appointed  
 .....  
 its lawful United States trustee, with this provision, that said trustee or  
 its successor be authorized and have the power to receive such securities  
 and property as the company from time to time may transfer or remit to  
 or vest in said trustee or place in said trustee's hands or under said trustee's  
 control, and to hold, invest, reinvest, manage and dispose of the same for  
 the uses and purposes and in the manner and according to the provisions  
 following, namely:

"First: The trustee shall cause the securities and property in which  
 the said trust fund shall from time to time be invested to be, so far as  
 practicable, entered, registered and kept under the following form or title:  
 'The trustee by deed of trust for the time being in the United States of  
 the ..... Company.'

"Second: The trustee shall hold the above mentioned securities and  
 property and their proceeds as a fund in trust, out of which to pay or  
 cause to be paid all lawful and valid claims or demands of policyholders  
 and creditors of the company in the United States, or such pro rata share  
 of such claims or demands as may be possible to pay therefrom.

"Third: The trustee is authorized and empowered, with the previous  
 written authority of the board of directors or the manager of the company  
 duly empowered, or of the United States manager acting under the  
 instructions of the company's board of directors or its duly empowered

manager, to be signified in writing to the trustee, to sell or collect any security or property in the said trust fund, and to invest and reinvest the proceeds thereof in such securities or property as are or may be from time to time permitted by the laws of the State of the United States where the principal business office of the United States branch of the company is located, to the same extent and subject to the same restrictions, rules and regulations to which insurance companies incorporated in said State are or may be at any time subject.

"Fourth: The trustee shall from time to time, when required either by the company or the United States manager thereof, or by the Insurance Supervisor, whatever his official title may be, of any State of the United States where the company is admitted to transact business, make and certify a statement of the description and amount of the said trust fund, and of the items of which it may consist, in such detail as may be required; and such certificate of description shall be a voucher for said funds to the company or the United States manager.

"Fifth: The trustee is also authorized and empowered, upon the written direction of said United States manager authorized as in paragraph third hereinbefore provided, from time to time to furnish said United States manager with property or securities out of said trust fund or any part thereof:

"(1) For making deposits in any State or Territory of the United States for the benefit and security of all the policyholders and creditors of the company in the United States under laws or regulations, now existing or hereafter to be established, requiring deposits for the benefit and security of all policyholders and creditors in the United States; and

"(2) Unless—after five days' written notice of intention from the United States manager to the Insurance Supervisor, whatever his official title may be, of the State where the principal business office of the United States branch of the company is located—prohibited in writing by such Supervisor, for the payment of moneys due to policyholders or creditors of the company in the United States; and

"(3) If consented to in writing in each case by such Insurance Supervisor and not otherwise: (a) for obtaining loans on pledge of such property or securities and for effecting bulk reinsurances of all or any part of the obligations of the company on unexpired policies issued through its United States branch, provided such loans on pledge or such use for bulk reinsurances shall be for the benefit and protection of the company's policyholders or creditors in the United States; (b) for remittance or transfer to the home office of the company; or (c) for such other use and in such other manner for the benefit of the United States branch of the company as the said United States manager may require or direct.

"Sixth: The trustee is also authorized and empowered, upon request of the United States manager of the company authorized to that end as in paragraph third hereinbefore provided, to pay or deliver any

or all income, earnings, dividends or interest accumulations of the securities or property of such trust fund to such United States manager and accept his receipt therefor.

"Seventh: The trustee may resign by written resignation, such resignation to take effect not less than.....days from the date of the reception thereof by the company, and, in case of a vacancy caused by such resignation of a trustee or from any other cause, the company shall, subject to the approval of the Insurance Supervisor specified in paragraph fifth hereof, fill such vacancy by a new appointment, and the powers of the trustee shall survive and continue in the succeeding trustee, and every new trustee shall succeed to, take and have all the estate, rights and powers which belonged to or were held by and be charged with like obligations as its predecessors. But the trustee shall not be liable or responsible for any loss to the said trust fund unless the same be caused by its neglect or willful malfeasance.

"Eighth: The company hereby reserves to itself the right at any time hereafter to add to, modify, alter or revoke the trusts, conditions and powers hereinbefore declared, imposed or conferred in such manner as it shall deem fit and as shall be according to law, provided the rights of its policyholders and creditors in the United States shall not thereby be affected or impaired, of which the Insurance Supervisor specified in paragraph fifth hereof shall be the judge, and of which fact his written certificate to the trustee shall be final and conclusive evidence.

"Ninth: The trustee hereby accepts the trust above created and declared upon the terms above expressed and signifies its acceptance thereof by joining in the execution of these presents.

"In Witness Whereof, the company and the trustees have caused these presents to be subscribed and their corporate seals to be affixed, the company at....., the.....day of....., 19...., and the trustee, at..... on the.....day of....., 19....

## INSTRUCTIONS

"This DEED OF TRUST must be executed by the foreign company by:

- "(a) Affixing its name at the end of the deed of trust; underneath such name, the two officers executing it should sign their names and add the titles of their offices, as 'President,' 'Manager,' 'Director,' 'Secretary,' etc.
- "(b) Affixing or impressing the seal of the corporation to the left of the signature of the company and its officers.
- "(c) Attaching the certificate of a notary public or other officer of the foreign government, State, city or district, to the effect that the deed of trust was executed by such officers for and on

behalf of such company, on the day of the date thereof; that such officers were duly authorized by the board of directors of such company to execute it, and that the corporate seal affixed or impressed is the corporate seal of such company and was affixed to or impressed thereon pursuant to action of the board of directors of such company. Such certificate must be in the English language.

“(d) Attaching to the certificate of the notary public or other officer a certificate by a United States consul, or vice-consul, identifying the notary public or other officer as duly qualified to certify the execution of legal documents. (The form usually followed by United States consuls or vice-consuls will be enough.)

“This DEED OF TRUST must be executed by the trustee or trustees in accordance with the laws of the State where the deed of trust is to be first filed.”

The power of attorney to collect interest on securities should be made in the following form:

“Know All Men by These Presents:

“That the.....Insurance Company of.....does hereby nominate, constitute and appoint.....of the City of New York, in the State of New York, the true and lawful attorney of the company to receive from the Insurance Department of the State of New York, and any other Department with which securities shall be for the time being according to the laws of the said State, or any other State, be deposited by or on behalf of the company, the interest and dividends now due, and hereafter from time to time accruing due, on the bonds and other securities which now are or may at any time hereafter be deposited by or on behalf of the company with such Department, as aforesaid; and for and in the name, and as the act and deed of the company, to give valid and effectual receipts, acquittances and discharges for the same interest and dividends; and generally in the premises to do and execute all such acts and deeds, as the company itself could do or execute, granting to said attorney power to appoint one or more substitutes for the purposes herein expressed.

“In Witness Whereof, we have hereunto subscribed our names and affixed our official seal at....., this.....day of....., 19....

“.....of.....  
City of.....

ss:

On this.....day of....., 19...., before me came,.....of the City of....., personally known to me to be the identical persons who executed the foregoing document, and acknowledged that they executed the same.

“(Attach Consul’s Certificate.)”

The appointment of manager or general agent should be worded as below :

"To the Superintendent of Insurance of the State of New York: "This is to Certify, That....., of the City of New York, has been duly appointed Manager or General Agent for the .....Insurance Company of.....and he is hereby authorized to appoint such other Agents for this Company, in the State of New York, as he may deem necessary for the purpose of transacting the business of .....Insurance in said State, hereby ratifying and confirming all such appointments of Agents made by him to be of equal binding force and effect as if made under the corporate seal of this Company.

"This appointment is to continue in force until a revocation of same shall be filed in the Insurance Department of the State of New York, duly executed by the officers of said Company under its corporate seal.

"In Witness Whereof, We have hereunto subscribed our names and affixed the corporate seal of the Company, at the City of....., this.....day of....., 19....  
..... President  
..... Secretary"

An agreement to restrict its business to fire and/or marine insurance is required as hereunder :

"It is Hereby Understood and Agreed by the..... Insurance Company of.....in the State of....., under the signatures of its President and Secretary, hereto attached, and the corporate seal of said company, that after receiving authority so to do from the Insurance Department of the State of New York, in accordance with the provisions of the laws of said State.

"In Witness Whereof, we have hereunto subscribed our names and affixed the corporate seal of the Company, this..... day of....., 19....

..... President  
..... Secretary"

The appointment of the Superintendent of Insurance of the State of New York as attorney to receive service of legal process is required as follows :

"Know All Men by These Presents :

"That the..... of the.....of .....in the State of..... now authorized or having applied for authority to transact business in the State of New York, in conformity with the insurance law thereof, does hereby make, constitute and appoint the Superintendent of Insurance of said State, or his successor in office, its true and lawful ATTORNEY, in and for the State of New York, on whom process of law, whether

mesne or final, against said.....  
 may be served in any action or special proceedings in the State of New York, subject to and in accordance with all the provisions of the insurance law of said State of New York, and such other acts as may be hereafter passed amendatory thereof and supplementary thereto. And the said attorney is hereby duly authorized and empowered, as the agent of said.....  
 .....to receive and accept service of process in all cases as provided for by the said law, and such service shall be deemed valid personal service upon said..... This appointment is to continue in force until all liability incident to the issuance of insurance contracts in the State of New York has been extinguished.

"In Witness Whereof, the said.....  
 in accordance with the resolution of its board of directors duly passed on the.....day of....., 19.... (a certified copy of which is hereto attached), has to these presents affixed its corporate seal, and caused the same to be subscribed and attested by its president and secretary, at the City of....., in the State of....., on the.....day of....., 19....  
 ..... President  
 ..... Secretary"

"State of .....

"County of .....

ss:

"On this.....day of....., 19...., before me, the subscriber, a .....  
 duly appointed to take the proof and acknowledgment of deeds and other instruments, came ..... President,  
 and ..... Secretary, of the .....  
 to me personally known to be the individuals described in and who executed the preceding instrument; and they each duly acknowledged the execution of the same; and being by me each duly sworn, severally, and each for himself, depose and saith, that they are the said officers of the .....aforesaid, and that the seal affixed to the preceding instrument is the corporate seal of the said.....  
 .....and that the said corporate seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said.....

"I Hereby Certify, that the above is a correct copy of the resolution of the directors of the said .....  
 authorizing the appointment of an attorney for the State of New York.

..... Secretary."

"Certified Copy of a resolution duly passed by the board of directors of the .....  
 .....

on the.....day of.....19....  
 at the office of the.....a quorum of the said board was  
 present, and on motion the following resolution was duly passed by said  
 board:

"Resolved, That this....., now authorized,  
 or having applied for authority to transact business in the State of New  
 York, in conformity with the laws thereof, does hereby authorize the  
 president and secretary, under the corporate seal of the.....  
 .....to make, constitute and appoint the Superintendent  
 of Insurance of the State of New York, or his successor in office, its true  
 and lawful ATTORNEY, in and for the State of New York, on whom all  
 process of law, whether mesne or final, against said.....  
 ....., may be served in any action or special  
 proceedings against said.....in the State of New  
 York, subject to and in accordance with all the provisions of the insurance  
 law of the State of New York; and the said attorney is duly authorized  
 and empowered, as the agent of said.....  
 to receive and accept service of process in all cases as provided by the  
 laws of the State of New York, and such service shall be deemed valid  
 personal service upon said..... This appointment  
 is to continue in force until all liability incident to the issuance of in-  
 surance contracts in the State of New York has been extinguished.

"In Testimony Whereof, I have hereunto set my hand and affixed my  
 official seal at the city of ....., the day and  
 year first above written."

Blank printed forms of the Deed of Trust, Power of Attorney to  
 Collect Interest, Appointment of Manager or General Agent, Agree-  
 ment as to Classes of Business and Appointment of the Superintendent of  
 Insurance as Attorney may be secured from the State Insurance Depart-  
 ment, Albany, New York, which also supplies forms for the filing of  
 statements.

**PUBLICATION**—Ins. Law, Sec. 31. "No agent of any foreign insurance cor-  
 poration for the first year it is admitted to transact business in this State,  
 shall transact any business of insurance in this State until he has filed in  
 the office of the clerk of the county where he resides, a certified copy of the  
 Superintendent's certificate of authority to do business, and until there has  
 been published in a paper at Albany, in which notices by officers are author-  
 ized by law to be published for four successive weeks after such filing, a  
 copy of such certificate and of the statement required by this chapter to be  
 filed in the office of the Superintendent and proof of such publication shall  
 be filed in the office of the Superintendent within thirty days thereafter,  
 by an affidavit of the publisher of the newspaper, his foreman or  
 clerk." Sec. 48. Every advertisement issued by an insurance company,  
 licensed in New York State, making known its financial standing, shall  
 exhibit the capital actually paid in cash, the assets, liabilities, including



premium and loss reserve required by law and net surplus, etc. Alien companies shall only exhibit as capital and assets those held by the United States branch; liabilities, including unearned premiums and loss reserves, and net surplus of assets over all its liabilities actually available for the payment of its losses and claims, and held for protection of its policyholders in the United States. All statements shall correspond to the verified statement made to the Insurance Department. Penalty for violation, \$500 for the first offense and \$1,000 for each succeeding offense.

**QUARTERLY STATEMENTS**—Brief quarterly statements are required from domestic fire companies and United States branches of foreign companies.

**RATE-MAKING ASSOCIATIONS**—Every rate-making association or bureau is subject to supervision by the Superintendent of Insurance, and shall be examined at least every three years. Discrimination between risks of essentially the same hazard is forbidden. Schedules of rates and other information must be filed with Superintendent whenever required. Sec. 141, Laws 1913: "Nor shall any such rating organization or any other person, corporation, association or bureau, nor any two or more persons, associations or corporations authorized to transact the business of insurance within this State, acting in agreement, refuse to do business with or to pay commissions to any person who may be licensed or authorized as an insurance broker, pursuant to the provisions of this chapter, because such broker will not agree to secure insurance only at the rates of premium fixed by such rating organization or the parties to such agreement." The former laws were added to in 1913 by Sec. 139, which brings under supervision of Insurance Department all corporations, etc., conducted for the purpose of inspecting risks, adjusting losses, testing appliances, formulating rules or establishing standards for the information or benefit of underwriters. This assists the Insurance Department by widening its scope. Sec. 140. This brings all bodies, maintained for the purpose of assisting underwriters in fixing, applying or maintaining, etc., insurance rates under the department's supervision. Sec. 141. Enlarged the former law by giving to the Superintendent of Insurance the same powers, when examining these organizations, as he possesses when examining insurance companies. There is also better protection given to the insured, with regard to fixing and maintaining rates or schedules of rates. Rate-making organizations are forbidden to charge a fee to brokers for licensing registration, certification or membership.

**RECIPROCAL INSURANCE**—Regulations governing the formation and licensing of interinsurers and reciprocals are given in detail under Lloyds, which see.

**RECIPROCAL LAW**—Ins. Law, Sec. 33. "If, by the existing or future laws of any State, an insurance corporation of this State having agencies in such other State, or the agents thereof, shall be required to make any deposit of securities in such other State

for the protection of policyholders or otherwise, or to make payment for taxes, fines, penalties, certificates of authority, license fees or otherwise, greater than the amount required by this chapter from similar corporations of such other State by the then existing laws of this State, then and in every such case, all insurance corporations of such State, established, or heretofore having established an agency in this State, shall be, and they are hereby, required to make the like deposit for the like purposes in the Insurance Department of this State, and to pay the Superintendent of Insurance for taxes, fines, penalties, certificates of authority, license fees and otherwise, an amount equal to the amount of such charges and payments imposed by the laws of such other State upon the insurance corporations of this State and the agents thereof. New section 34a gives the Superintendent of Insurance power to credit foreign corporations on future taxes with the amount of excess payments made to him. [All the relief given in former Sec. 33 is continued in new Sec. 34a, and the new section enables the Department to make further adjustments.]

**REINSURANCE**—Insurance Law, Sec. 22. Every insurer authorized to issue policies in this State may reinsure in any other insurer any part or all of any risk or risks, other than life, assumed by it; but such reinsurance, unless effected (a) with an insurer authorized to issue policies in this state, or (b) with an insurer similarly authorized in another State, Territory or district of the United States and showing the same standards of solvency and meeting the same statutory and departmental regulations which would be required or prescribed of such insurer were it at the time of such reinsurance authorized in this State to issue policies covering risks of the same kind or kinds as those reinsured, shall not reduce the taxes to be paid by or the reserve or other liability to be charged to the ceding insurer; providing that nothing in this section shall be construed to permit to a ceding insurer any reduction of taxes through reinsurance effected with an insurer not authorized to issue policies in this State. In case such reinsurance is effected with an insurer so authorized or so recognized for reinsurance in this State, the ceding insurer shall thereafter be charged on the gross premium basis with an unearned premium liability representing the proportion of such obligation retained by it, and the insurer to which the business is ceded shall be charged with an unearned premium liability representing the proportion of such obligation ceded to it calculated in the same way.

Any contract of reinsurance, other than life, whereby an insurer cedes more than seventy-five per centum of the total amount of its outstanding risks, shall, if such insurer is incorporated by or, if an insurer of a foreign country, has its principal office in this State, be subject to approval in writing by the Superintendent of Insurance of this State. Law of 1919, Chap. 388, allows credit for reinsurance not for taxation purposes where such reinsurance is placed in unauthorized fire companies which can evidence in a manner satisfactory to the Department that they can comply with all our requirements as to capitalization, surplus and general Depart-

ment rules. The Superintendent of Insurance shall require schedules of reinsurance to be filed by each corporation at the time of making its annual report to the Department.

**REINSURANCE RESERVE**—The unearned premium fund must be maintained at fifty per cent of all premiums on unexpired fire risks having a year or less to run; pro rata for all premiums on unexpired fire risks having more than one year to run; the entire premium on unexpired marine (voyage) risks, and 50 per cent of all premiums on unexpired time marine risks.

**RESIDENT AGENTS**—No provision.

**SEMI-ANNUAL STATEMENTS**—In 1908, the Insurance Department began requiring brief quarterly financial statements. (See "Quarterly Statements.")

**STANDARD POLICY**—Under Sec. 121, the New York standard policy form, as adopted in 1917, has been required to be used since January 1, 1918, and must comply in all particulars with the policy form adopted by the National Convention of Insurance Commissioners, December 12, 1916. Sec. 121-eighth: "\* \* \* Two or more fire insurance corporations, authorized to transact business in this State, may issue a combination standard form of policy, using a distinctive title therefor, which title shall appear at the head of such policy followed by the titles of the several corporations obligated thereupon, and which policy shall be executed by the officers of each of such corporations; provided, that before such corporations shall issue such combination policy, they shall have received the express permission of the Superintendent of Insurance to issue the same, and the title of such proposed policy and the terms of the additional provisions thereof, hereby authorized, shall have been approved by him, which terms, in addition to the provisions of the standard policy and not inconsistent therewith, shall provide substantially under a separate title therein, to be known as 'Provisions Specially Applicable to this Combination Policy,' as follows: (A) That each corporation executing such policy shall be liable for the full amount of any loss or damage, according to the terms of the policy, or a specific percentage thereof; (B) That service of process, or of any notice or proof of loss required by the said policy, upon any of the corporations executing the same shall be deemed to be service upon all; and provided, further, that the unearned premium liability on each policy so issued shall be maintained by each of such corporations on the basis of the liability of each to the insured thereunder." New riders may be formulated and prescribed by the Superintendent of Insurance for use in connection with the standard policy, and when so prepared and filed, no similar forms of riders can be used by insurance companies, except it be in the precise language of the Department form. Sec. 121 also provides that whenever application is made for the selection of an umpire, it shall be made to a judge in a court of record in the county in which the lost or damaged property was located, on five days' written notice by either party to the other. Notice may be served on any local agent of the insurance company.

*The section, although they may be authorized to do Maine business.*  
*see Sept. letter 4/24/18*

*In figuring Maine taxes under Section 34 of the Insurance Law, deductions for reins. premiums are permitted where such reins. is effected by Co. liable for the tax provided for by that section.*

**TAXES**—Foreign companies of other countries must pay to the Treasurer of the State, annually, on or before June 1, as a franchise tax, a sum equal to one-half of one per cent on the gross premiums received for business done in the State during the preceding calendar year; domestic companies and Lloyds pay one per cent of premiums. The term "gross premiums" does not include such premiums as are refunded to policyholders as dividends or on cancellation or return of policies, nor amounts paid as reinsurance to other companies subject to taxation under Sec. 187. (Tax Law.) Sec. 187. (Law 1919, Chap. 625.) "An annual State tax for the privilege of exercising corporate franchises or for carrying on business in their corporate or organized capacity within this State equal to one per centum on the excess of the gross amount of premiums charged, over the deductions hereinafter provided during the preceding calendar year for business done at any time in this State shall be paid annually into the Treasury of the State on or before the first day of June. The gross amount of premiums subject to deduction shall include all premiums charged during such preceding calendar year on all policies, certificates, renewals, policies subsequently canceled, insurance and reinsurance executed, issued or delivered during such preceding and all prior calendar years. The excess of the gross amount of premiums taxable shall be found by deducting from the total amount of premiums charged, including reinsurance premiums charged, for business done in this State under all such policies, certificates, renewals, policies subsequently canceled, insurance and reinsurance executed, issued or delivered during such preceding and all prior calendar years, the amount of premiums paid for reinsurance in corporations taxed under this section, unearned premiums returned on cancellation of policies, premiums on policies not taken, and all the so-called dividends made to policyholders, but not including deferred dividends paid in cash to policyholders on maturing policies, provided, however, that in case of life insurance companies the word "charged" wherever it appears shall be understood to mean the amount of premiums received. Such tax shall be paid by the corporation which charges the premium provided it is one of the corporations hereinafter described.

1. Every domestic insurance corporation, incorporated, organized or formed under, by or pursuant to a general or special law ;
2. Every insurance corporation, incorporated, organized or formed under, by or pursuant to the laws of any other State of the United States

[NOTE.—The amendment to section 187 of the Tax Law in 1919 (Chap. 625) provided that the franchise tax imposed on insurance corporations carrying on their business in this State shall be 1 per cent on the excess of the gross amount of premiums charged during the preceding calendar year after deducting from the total amount of premiums charged, including reinsurance premiums for business done in this State under all such policies, certificates, renewals, policies subsequently canceled, insurance and reinsurance executed, issued or delivered during such preceding and all calendar years, the amount of premiums paid for reinsurance in corporations taxed under this section, unearned premiums returned on cancellation of policy, premiums on policies not taken and all the so-called dividends made to policyholders, etc., and providing that such tax shall be paid by the corporation which charges the premium provided it is one of the corporations hereinafter described.]

*All corporate taxes & taxes collected under provision of Sec 34 of Ins. Law are payable to Sup't of Insurance*

and doing business in this State, except a corporation doing a fire insurance business or a marine insurance business

3. Every insurance corporation, incorporated, organized or formed under, by or pursuant to the laws of any State without the United States, or of any foreign country, except such a corporation doing a life, health or casualty insurance business, and doing business in this State; but the tax on gross premiums of a corporation so incorporated, organized or formed and doing a fire or marine insurance business within the State shall be equal to five-tenths of one per centum. This section does not apply to a fraternal beneficiary society, order or association, a corporation for the insurance of domestic animals, a town or county co-operative insurance corporation, nor to any corporation subject to the supervision of or required by or in pursuance of law to report to the Superintendent of Banks; but this section does apply to an individual, or partnership, or association of underwriters known as Lloyds in so far as corporations doing the same kind of insurance business are subject to its provisions. The taxes imposed by this section shall be in addition to all other fees, licenses or taxes imposed by this or any other law, except that in assessing taxes under the reciprocal provisions of section thirty-three of the insurance law, credit shall be allowed for any taxes paid under this section. The term "insurance corporations" as used in this article, shall include a corporation, association, joint-stock company or association, person, society, aggregation or partnership by whatever name known doing an insurance business in this State." Sec. 190. "Every corporation, company or association required by Sec. 187 \* \* \* to pay to the State an annual tax equal to a percentage of its gross premiums \* \* \* for the privilege of exercising its corporate franchise or carrying on its business in such corporate or organized capacity, which shall own any of the bonds of the State of New York, shall have credited to it annually to apply upon or in lieu of the payment of such tax an amount equal to one per centum of the par value of all such bonds of the State, bearing interest at a rate not exceeding three per centum per annum, owned by such corporation, company, or association and registered in its name, or registered in the name of a public department, a public officer or offices of this State, or of any other State, or of the United States, in trust for such corporation, company or association, on the thirtieth day of June prior to the date when such tax shall become due and payable; provided, however, that there shall in no case be credited to any such corporation, company or association an amount in excess of the amount due to the State from such corporation, company or association for taxes payable to the State under this chapter for the fiscal year for which such credit is given; and further provided that any such credit so allowed under this section shall not bear interest." In assessing taxes under reciprocal law, taxes as above will be credited. Companies must, on or before March 1, make a return to the State Tax Commissioner showing the total amount of premiums received during the

year ending December 31, preceding, on business done in the State. Real estate to be taxed where situated for State, city, town, county, village school and other local purposes. Taxes levied upon companies of other States are governed by reciprocal law. In collecting taxes under retaliatory provisions, from fire insurance corporations, the New York Insurance Department allows credit for the amount paid under Sec. 133. See "Fire Department Tax." Companies, associations and individuals not incorporated in New York to insure marine risks, are taxed two per cent on marine premiums, under Sec. 34. Foreign marine companies are not allowed to deduct taxes paid under Sec. 187 of the tax law of New York, when paying tax due under Sec. 34. By an amendment of 1920 (Chap. 563) a tax of two per cent is imposed upon all premiums received by any foreign insurance company on account of insurance covered by Secs. 110 and 150, which tax must be paid on or before April 1 in each year. The amendment also provides that the tax paid under Sec. 34 is a privilege tax. Sec. 149-a. "Every mutual fire insurance company or association authorized to do business in this State pursuant to Sec. 149 of this chapter shall, in lieu of all other taxes on premiums, annually, on or before the first day of February of each year, pay a tax of one per centum on all gross premiums or assessments collected or received by it or them for such insurance and reinsurance upon property situate within this State during the preceding year ending the thirty-first day of December to the Superintendent of Insurance, except that any company so authorized to do business in this State which is incorporated under the laws of any other State, which taxes such company therein upon any other or different basis, shall pay such tax of one per centum, under this section on the same basis as is provided by the law of the State in which it is incorporated; provided, however, that in no event shall the tax payable under such exception be less than three per centum of the net cost of insurance to the policyholder."

**TAX STATEMENTS**—Must be filed with Comptroller by March 1, annually. See "Fire Department Tax." Mutual companies of other States, by February 1, under penalty of \$100 per day. Taxes due and payable into the State treasury on or before June 1.

**VALUED POLICY**—No provision.

### **COUNTY TAXES AND FEES.**

None, except real estate taxes.

### **CALENDAR—NEW YORK.**

On or before

Jan. 1 Agents' and adjusters' licenses must be secured.

Feb. 1 Fire Department tax is payable.

Fire Department statement to be filed.

Tax statement must be filed by marine companies with State Tax Commissioner.

Tax on marine premiums is payable.

15	Annual statement must be filed.
March 1	Tax statement is due State Tax Commissioner.
April 1	Quarterly statements are required.
April 30	Company license must be secured.
June 1	Franchise or premium tax is payable.
15	Foreign companies home office statement to be filed.
July 1	Quarterly statements are required.
Oct. 1	Quarterly statements are required.

*Proposed. Assoc. of Fire Und.  
 Apr. 1/16 — 6 men*

*to the Association. Names for  
 names as of 1/21/16  
 to be set up for 6 men  
 names of 1/21/16  
 approved 1/21/16*

# NORTH CAROLINA.

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## STATE REQUIREMENTS.

**ADJUSTERS' LICENSES**—Adjusters are required to obtain licenses. Adjuster for unauthorized company may be fined \$200 to \$500, and imprisoned six months to two years.

**AGENTS DEFINED**—Any citizen of the State who solicits, aids or fills out any open policy, certificate or blank or does any act by which an unlicensed company effects insurance in the State is held to be an agent of the company and liable for taxes.

**AGENTS' LICENSES**—Sec. 4706. "Every agent or adjuster of any insurance company authorized to do business in this State shall be required to obtain annually from the Insurance Commissioner a license under the seal of his office, showing that the company for which he is agent, or proposes to adjust is licensed to do business in this State, and that he is an agent of such company and duly authorized to do business for it." Licenses expire April 1. Penalty for neglecting to exhibit certificate, fine of \$10 or imprisonment for ten days for each offense. Person acting as agent or adjuster without a license is guilty of a misdemeanor, and may be fined \$100 to \$500 for each offense. License required for each member of firm, and for each officer or representative of an agency corporation. Applications for licenses must be made by company or by general agent in the State, or by any agent whose authority for his company to do so is on file in the Insurance Department, and must be signed by the agent himself. The Insurance Commissioner, before issuing a license, must satisfy himself of the character, knowledge of the insurance business to be transacted by him, and moral attainments of the applicant, and that he has not violated the insurance law of the State. Any license may be revoked for misrepresentation. Violation renders agent or adjuster guilty of a misdemeanor and punishable by a fine of from \$200 to \$500, or imprisonment from 1 to 2 years, or both.

**ANNUAL STATEMENTS**—Required to be filed annually on or before March 1, showing condition as of December 31 preceding. Penalty for rendering untrue statement, revocation of license and \$500 to \$1000 fine. Person refusing to exhibit books, papers or accounts is guilty of a misdemeanor. Penalty for failure to file statement, \$100 for each day's neglect; and license may be suspended during default. No annual statements are required other than those filed with Insurance Commissioner.

**ANTI-COINSURANCE**—Use of coinsurance clauses forbidden except on written request of assured or his agent, when rates with and without coinsurance shall be furnished, and if owner elects to use coinsurance clause, policy shall be stamped "Coinsurance Contract." It is not per-



missible for an insurance agent or broker to sign an application for his customer.

**ANTI-COMPACT**—No law forbidding combinations.

**ANTI-DISCRIMINATION**—See "Rate Schedules to be Filed."

**ATTORNEY**—The Insurance Commissioner must be appointed attorney on whom service of legal process can be made.

**CANCELLATION OF POLICY**—"This policy shall be canceled at any time at the request of the insured, or by the company, by giving five days' notice of such cancellation."—Extract from Standard Policy.

**CAPITAL REQUIRED**—Domestic fire insurance companies must have \$50,000 capital, and capital stock must be paid in full in 12 months and no policies shall be issued until said stock is paid in. Companies of other States must have \$100,000 capital, and \$50,000 additional capital for each additional class of business transacted.

**COMMISSIONS TO NON-RESIDENTS**—Commissions are payable only to resident agents. Resident agents cannot divide commissions with non-residents, unless the latter are licensed as non-resident brokers, and can then pay only five per cent.

**DEPOSIT**—Required to be made in bonds of United States, North Carolina or cities or counties of North Carolina, or approved first mortgages on real estate situate in North Carolina as follows: Companies whose capital stock is \$500,000 or less, \$10,000; companies whose capital stock is more than \$500,000 and not over \$1,000,000, \$20,000; companies whose capital stock is in excess of \$1,000,000, \$25,000. Law does not apply to companies licensed to do reinsurance only. Foreign companies are required to have at least \$100,000 on deposit with one of the United States. (Nature of securities not specified.)

**DOMESTIC COMPANIES**—Ins. Law, Sec. 4727. "The procedure for organizing such a corporation shall be as follows: The proposed incorporators, a majority of whom must be residents of the State, and not less than ten, shall subscribe articles of association setting forth their intention to form a corporation; its proposed name, which must not so closely resemble the name of an existing corporation doing business under the laws of this State as to be likely to mislead the public and must be approved by the Insurance Commissioner; the class of insurance it proposes to transact and on what plan or principle; the place within the State of its location, and, if on the stock plan, the amount of its capital stock. The words 'insurance company' must be a part of the title of any such corporation, and also the word 'mutual,' if it is organized upon the mutual principle. \* \* \* The Insurance Commissioner, if it appear that the requirements of the law as herein have been complied with, shall certify the fact, and his approval of the certificate, by indorsement thereon. Such certificate shall thereupon be filed by said officers in the office of the Secretary of State, who, upon payment of \$25, shall cause the certificate with the indorsement thereon to be recorded, and shall issue a certificate. \* \* \*"

**EXAMINATIONS**—Each domestic company must be examined as often as once in three years; and the Commissioner is empowered to make an examination of any such company whenever he deems it prudent to do so, or upon the request of five or more of the stockholders, creditors, policyholders, or persons pecuniarily interested therein, who shall make affidavit of their belief, with specifications of their reasons therefor that company is in an unsound condition. Whenever he deems it prudent he shall also visit and examine or cause to be visited and examined any foreign insurance company applying for admission or already admitted to the State, and such company shall pay the proper charges incurred in such examination. Penalty for refusal to permit or facilitate examination, revocation of license. A company may be examined on request of a citizen, but the latter must give bond for payment of expenses to be borne by such citizen, in case his charges are not sustained.

**FEES**—License to each fire or marine insurance company, \$200, and if limited to one class of risks, \$100; license to each domestic mutual insurance company, \$50; annual fees, \$10, including license issued to each general agent (\$5), seal (\$1), filing application for license (\$1), and certificate of qualification and seal, known as State license (\$3), license to each special or district agent or manager, non-resident broker or organizer, including seal, \$3; license to each local or canvassing agent, \$1, including seal (for each member of firm); filing and examining statement preliminary to admission, \$20; filing and auditing annual statement, \$10; filing any other paper required by law, \$1; for each certificate of examination, condition or qualification of company or association, \$2; for each seal when required, \$1; for making abstract of financial statement, \$4; service of process upon Commissioner as attorney, \$1; for each examination of domestic company, \$25, and for each examination of foreign company, \$50, for the State, and in addition, as fees to the Commissioner, for examination of any foreign company, \$25 per diem, and all expenses, and for examining any domestic company, actual expenses incurred; for copy of any record or paper, 10 cents per copy sheet and \$1 for certifying same; cost of publication, \$9; adjusters' license, \$5 (expires April 1). Companies with one-quarter of its assets owned as prescribed under Taxes, pay one-half license fee; companies with three-quarters of its assets owned as prescribed, pay one-quarter of license fee. Fees are payable to Insurance Commissioner.

**FIRE DEPARTMENT TAX**—A fire department tax of one-half of one per cent is levied in each city and town having \$1000 worth of fire-fighting apparatus, and enforcing the building and inspection laws to the satisfaction of the Insurance Commissioner. No fire department tax is levied upon companies investing three-fourths of their capital in North Carolina or in North Carolina securities.

**FIRE MARSHAL**—Insurance Law, Sec. 4818. "The Insurance Commissioner and the chief of the fire department, or chief of police, where

no chief of fire department, in cities and towns, and the sheriff of the county where such fire occurs outside of an incorporated city or town are hereby authorized to investigate the cause, origin and circumstances of every fire occurring in such cities or towns or counties in which property has been destroyed or damaged, and shall specially make investigation whether such fire was the result of carelessness or design. \* \* \*

Expenses now paid by license fees collected of fire insurance companies. The Insurance Law, Secs. 4815-4816, requires the authorities to appoint chiefs of fire departments in all towns where none exist, and town authorities are required to remunerate such chiefs. The latter act also as inspectors of buildings, where no such officers have been appointed. The law also requires the establishment of fire limits; prescribes building regulations; provides for quarterly inspection of buildings within fire limits and annual inspections of others, and in the proper care of stoves, ashes, waste, etc. Fire losses must be reported by company directly or through an approved bureau, and losses must not be paid until one week after such report.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—Not required.

**GENERAL PENALTIES**—Ins. Law, Sec. 4703. "The authority of a foreign insurance company may be revoked if it shall violate or neglect to comply with any provision of law obligatory upon it \* \* \*" Sec. 3484. "For violation of any provision of this act, the penalty whereof is not especially provided for herein, the offender shall be punished by a fine of not more than \$500." A company may be fined \$10 for not reporting losses as they occur to the Insurance Commissioner.

**IMPAIRMENT**—Ins. Law, Sec. 4733. "When the net assets of a company do not amount to more than three-fourths of its original capital, it may make good its capital to the original amount by assessment of its stock. Shares on which such an assessment is not paid within sixty days after demand shall be forfeitable, and may be canceled by vote of the directors, and new shares issued to make up the deficiency. If such company shall not within three months after notice from the Insurance Commissioner to that effect make good its capital as aforesaid, or reduce the same as allowed, its authority to transact new business of insurance shall be revoked by said Commissioner." Sec. 4704. "The authority of a foreign company may be revoked if it shall violate or neglect to comply with any provision of law obligatory upon it, and whenever, in the opinion of the Insurance Commissioner, its condition is unsound, or its assets above its liabilities, as provided in Sec. 67, are less than the amount of its original capital or required unimpaired funds." Sec. 4705 prescribes the method of computing reinsurance reserve. Mutual companies must assess to make good impairments.

**INVESTMENTS PRESCRIBED**—The capital of domestic companies and the deposit required from foreign companies authorized to transact business in the State must be composed of bonds of the United States or of any of the

States whose bonds do not sell at less than par, or in first mortgages on real estate in the State or in bonds or notes of any city, county or town of the State whose net indebtedness does not exceed five per cent of the last preceding valuation of the property therein for the purpose of taxation. Domestic companies may acquire and hold real estate for the convenient accommodation of their business at a cost not exceeding twenty-five per cent of their cash assets, but may hold real estate under the conditions of any mortgage owned or by purchase or set-off on execution upon judgment for debts due in the course of legitimate business. A company having more than \$100,000 capital may, with the consent of the Insurance Commissioner, invest the balance over \$100,000 in such safe manner as may be approved by the Commissioner.

**LICENSED BROKERS**—Ins. Law, Sec. 4769. "The Insurance Commissioner, upon the annual payment of a fee of \$20, may issue licenses to citizens of this State, subject to revocation at any time, permitting the person named therein to procure policies of fire insurance on property in this State in foreign insurance companies not authorized to transact business in this State. Before the person named in such a license shall procure any insurance in such companies or on any property in this State, he shall, in every case, execute and file with the Insurance Commissioner an affidavit that he is unable to procure in companies admitted to do business in this State the amount of insurance necessary to protect said property, and shall only procure insurance under such license after he has procured insurance in companies admitted to do business in this State to the full amount which said companies are willing to write on said property; provided, that such licensed person shall not be required to offer any portion of such insurance to any company which is not possessed of cash assets amounting to at least \$25,000, or one which has, within the preceding twelve months, been in an impaired condition. Each person so licensed shall keep a separate account of the business done under the license, a certified copy of which account he shall forthwith file with the Insurance Commissioner, showing the exact amount of such insurance placed by any person, firm, or corporation, the gross premiums charged thereon, the companies in which the same is placed, the date of the policies and the terms thereof, and also a report in the same detail of all such policies canceled and the gross return premiums thereon, and before receiving such license shall execute and deliver to the treasurer a bond in the penal sum of \$1000, with such sureties as the treasurer shall approve, with a condition that the licensee will faithfully comply with all the requirements of this section, and will file with the treasurer, in January of each year, a sworn statement of the gross premiums charged for insurance procured or placed, and the gross return premiums on such insurance canceled under such license during the year ending on the thirty-first day of December next preceding, and at the time of filing such statement will pay into the treasury of the State a sum equal to five per cent of such gross premiums, less such return premiums so re-

ported." Brokers are held to be agents of the insurance companies whose policies they procure. Fraudulent representations made knowingly are punishable by fine of \$100 to \$500, or imprisonment for not exceeding one year. Brokers shall be personally liable for policies procured from unlicensed companies. Penalty for neglecting to file affidavits and statements required, forfeiture of license, and fine of \$100 to \$500, or by imprisonment for not more than one year, or both. Under Sec. 4769 brokers are permitted to insure mills in outside mutual companies upon filing papers with the Insurance Commissioner and paying license fees and taxes for each of such companies. By Sec. 4766, the resident agents' law, the Insurance Commissioner is authorized to license (fee \$3) a non-resident as a broker, after receiving a proper application and an affidavit that such non-resident will not, during the fiscal year, place, directly or indirectly, any fire insurance on property located in North Carolina except through a licensed resident agent.

**LIMIT ON A SINGLE RISK**—Mutual companies, one-tenth of net assets; stock companies, 10 per cent of net assets; insurance shall not be written in excess of fair value of property, nor for a longer term than seven years.

**LLOYDS**—See "Reciprocal Insurance."

**MARINE INSURANCE REQUIREMENTS**—Insurance Commissioner holds that marine companies, agents and brokers are subject to the same laws and rules as apply to those writing.

**MISCELLANEOUS**—Ins. Law, Sec. 4756. "When buildings insured against loss by fire and situated within this State are totally destroyed by fire, the company shall not be liable beyond the actual cash value of the insured property at the time of the loss or damage; and if it shall appear that the insured has paid premium on a sum in excess of said actual value, the assured shall be reimbursed the proportionate excess of premium paid on the difference between the amount named in the policy and the ascertained value, with interest at six per centum per annum from the date of issue. Every insurance company transacting business in this State shall, upon receiving notice of loss by fire of property in North Carolina, on which it is liable under a policy of insurance, forthwith notify the Insurance Commissioner thereof, and no insurance upon any such property shall be paid by any company until one week after such notification." Every insurance company is required to transact its business under its own corporate name. Domestic companies are forbidden to embody in their policies any stipulation concerning the court in which suits may be brought, nor shall they limit the time in which suit may be begun to less than one year after the cause of action accrues. A license shall be refused any company forbidden by the laws of its own State or country, or by its charter, from investing its assets other than capital in bonds of the State of North Carolina. Submission of a fire loss to arbitration constitutes a waiver of the right to rebuild. A law was enacted in 1905 providing that it shall be unlawful for any fire insurance company doing business in the State to enter into, make or main-

tain any stipulation or agreement in restraint of or limiting the compensation which an agent may receive from any other fire insurance company, association or partnership, under a penalty of a fine of not less than \$250 nor more than \$500, and the forfeiture of license to do business in the State for a period of twelve months thereafter. An amendment in 1915 makes it unlawful to agree to forbid reinsurance of risks of a domestic company by a company holding membership in or co-operating with a bureau or board. Blank proofs of loss, in duplicate, must be furnished to the insured, from whom a written statement of loss is required. The iron safe clause shall not apply in settling losses on buildings, furniture and fixtures. Sec. 4805 provides that a license is required before foreign corporations can sell stocks, bonds or other contracts in North Carolina. Amendment in 1913 provides for a stricter supervision of the sale of stock and advertisements pertaining to new and untried companies. No policy shall be void because of failure to give notice to company of mortgage or deed of trust, except during life of such mortgage or deed of trust. Adjusters must be licensed. Every agent of a fire insurance company shall, before issuing a policy of insurance on property situated in a city or town, inspect the same, informing himself as to its value and insurable condition. The institution of a suit in a Federal court or the removal of a case thereto by an insurance company is subject to the penalty of revocation of license. Misuse of company's funds by agent is larceny.

**MUTUAL COMPANIES**—Ins. Law, Sec. 4738. "No policy shall be issued by a purely mutual fire insurance company hereafter organized, nor by a mutual fire insurance company with a guaranty capital of less than \$50,000, until not less than \$200,000 of insurance, in not less than 200 separate risks upon property located in North Carolina has been subscribed for and entered on its books. \* \* \* No policy shall be issued under this section until the president and the secretary of the company shall have certified under oath that each and every subscription for insurance in the list presented to the Insurance Commissioner for approval is genuine, and made with an agreement with each and every subscriber for insurance that he will take the policies subscribed for by him within thirty days after the granting of a license to the company by the Insurance Commissioner to issue policies." When members of an association are engaged in the same line of business only fifty separate risks need be pledged. A false oath in connection with certificate is punishable as perjury. Companies may be formed to operate in not more than two counties with a minimum of \$25,000 in risks, owned by not less than twenty-five adult residents of such counties. Mutual companies may be formed with a guaranty capital of from \$25,000 to \$200,000, upon which 3½ per cent may be paid semi-annually, if earned. "The guaranty capital or surplus shall be applied to the payment of losses only when the company has exhausted its cash in hand, and the invested assets, exclusive of uncollected premiums, and when thus impaired, the directors may make good the whole

or any part of it by assessments upon the contingent funds of the company at the date of such impairment." Provision is made for the reduction or abolition of guaranty funds. Penalty for guaranteeing a policyholder against assessment, fine of not exceeding \$100 for each offense. Every mutual company must keep in its treasury at least one assessment sufficient to pay one average loss.

**PRELIMINARY DOCUMENTS**—Company must file with the Insurance Commissioner a copy of its charter and a verified statement of its standing and financial condition on December 31 preceding; also an affidavit of the president of the company that it has not written policies upon property located in the State except through its regularly commissioned and licensed agents located in the State, or otherwise violated the insurance law during the preceding year. Foreign companies must also file a certified copy of charter or deed of settlement; certificate of deposit, and appointment of general agent. Certificate of compliance with laws of company's home State required with statement. Total fees on admission, in addition to license, \$44 for all companies except fire, for which the total is \$45, and only paid once (includes abstract and publication fees).

**PUBLICATION**—An abstract of each annual statement must be published in one newspaper by the Insurance Commissioner at an expense to the respective companies of \$9 each. When a company publishes its assets, it must also publish its liabilities, and any publication purporting to show capital must only show the amount paid up. Penalty for violation of latter requirement, fine of \$50 to \$200.

**RATE-MAKING ASSOCIATIONS**—Sec. 1. Every corporation, association, board or bureau which now exists or hereafter may be formed, and every person who maintains, or hereafter may maintain, a bureau or office for the purpose of suggesting, approving or making rates to be used by more than one underwriter for insurance, including surety bonds, on property or risks of any kind located in this State, shall file with the Insurance Commissioner a copy of the articles of agreement, association or incorporation and the by-laws and all amendments thereto under which such person, association or bureau operates or purposes to operate, together with his or its business address and a list of the member or insurance corporations represented or to be represented by him or it, as well as such other information concerning such rating organization and its operations as may be required by the Insurance Commissioner. Sec. 2. Every such person, corporation, association or bureau, whether before or after the filing of the information specified in the preceding section, shall be subject to the visitation, supervision and examination of the Insurance Commissioner, who shall cause to be made an examination thereof as often as he deems it expedient, and at least once in three years. \* \* \* Sec. 4. No such person, corporation, association or bureau shall fix or make any rate or schedule of rates which is to or may apply to any risk within this State, on the condition that the whole amount of insurance on such risk or any specified part

thereof shall be placed at such rates or with the members of or subscribers to such rating organization; nor shall any such person, association or corporation authorized to transact the business of insurance within this State, fix or make any rate or schedule of rates or charge a rate which discriminates unfairly between risks within this State of essentially the same hazard. \* \* \* Whenever it is made to appear to the satisfaction of the Insurance Commissioner that such discrimination exists he may, after a full hearing, either before himself or before any salaried employee of the Insurance Department, whose report he may adopt, order such discrimination removed; and all such persons, corporations, associations or bureaus affected thereby shall immediately comply therewith; nor shall such persons, corporations, associations or bureaus remove such discrimination by increasing the rates on any risk or class of risks affected by such order unless it is made to appear to the satisfaction of the Insurance Commissioner that such increase is justifiable. Sec. 6. Every such rating organization shall keep a careful record of its proceedings, and shall furnish upon demand to any person upon whose property or risk a rate has been made, or to his authorized agent, full information as to such rate, and if such property or risk be rated by schedule, a copy of such schedule; it shall also provide such means as may be approved by the Insurance Commissioner whereby any person or persons affected by such rate or rates may be heard, either in person or by agent, before the governing or rating committee or other proper executive of such rating organization on application for a change in such rate or rates.

In June, 1915, the Insurance Commissioner said: "Since 1913 there has been upon the statute books of this State the New York law in regard to the supervision of rating bureaus. Under the law the Commissioner could inquire into and have corrected all discriminations in rates; but the last legislature added to this the principle of the Massachusetts law, giving to the Commissioner the power to look into and pass upon not only discriminations, but whether rates were fair and just."

"The new law also requires insurance companies or bureaus, when making rates, to furnish a detailed statement to the owner of the property or his representative, and the insurance agent writing the policy or property is required to put upon the policy the basis rate, amount of deficiency charges, amount of credits, and the rate at which written. This will keep the citizens of the State fully informed as to their rates and how they are arrived at."

A property owner must be notified of the making or changing of a rate on his property, with details of basis rate, deficiency changes and credits, and such changes as well as original notes, must be filed with the Insurance Commissioner.

**RECIPROCAL INSURANCE**—Chap. 183, Laws 1913. Sec. 1, Insurance Laws. "Individuals, partnerships and corporations of this State, hereby designated as subscribers, are hereby authorized to exchange reciprocal



or inter-insurance contracts with each other, or with individuals, partnerships and corporations of other States and countries, providing indemnity among themselves from any loss which may be insured against under other provisions of the laws." Contracts executed by an attorney in fact. Statement must be filed with Insurance Commissioner showing applications for indemnity upon at least 100 separate risks aggregating \$1,500,000, covered by bona fide contracts. Deposit required with attorney, \$25,000. Sec. 7. There shall at all times be maintained as a reserve a sum in cash or convertible securities equal to 50 per cent of the aggregate net annual deposits collected and credited to the accounts of the subscribers on policies having one year or less to run and pro rata on those for longer periods. Annual license, \$50, and a tax of  $2\frac{1}{2}$  per cent of gross premium deposits, "reduced by all sums distributed among the subscribers or creditors to their accounts." Also other regular fees. Violation of any of the provisions subject to a fine of from \$100 to \$500.

**RECIPROCAL LAW**—Revisal, 1905, Sec. 4749. "When, by the laws of any other State or nation, any taxes, fines, penalties, licenses, fees, deposits of money or of securities, or other obligations or prohibitions are imposed upon insurance companies of this State doing business in such other State or nation or upon their agents therein, then, so long as such laws continue in force, the same taxes, fines, penalties, licenses, fees, deposits, obligations and prohibitions, of whatsoever kind, shall be imposed upon all such insurance companies of such other State or nation doing business within this State and upon their agents here. Nothing herein shall be held to repeal or reduce the license, fees, taxes and other obligations now imposed by the laws of this State or to go into effect with the companies of any other State or nation unless some company of this State is actually doing or seeking to do business in such State or nation. When an insurance company organized under the laws of any State or country is prohibited by the laws of such State or country or by its charter from investing its assets other than capital stock in the bonds of this State, then and in such case the Insurance Commissioner is authorized and directed to refuse to grant a license to transact business in this State to such insurance company."

**REINSURANCE**—Ins. Law, Sec. 4770. "Every fire insurance company now or hereafter admitted shall annually and at such other times as the Insurance Commissioner may require, in addition to all returns now by law required of it or its agents or managers, make a return to the Insurance Commissioner in such form and detail as may be prescribed by him of all reinsurance contracted for or effected by it, directly or indirectly, upon property located in North Carolina, \* \* \* and if any foreign or domestic company shall, directly or indirectly, reinsure any risk taken by it on any property located in North Carolina in any company not duly authorized to transact business herein, or if it shall refuse or neglect to make returns required by this act, the Insurance Commissioner shall revoke its

authority to transact business in this State." Provisions of this section also apply to companies licensed to do reinsurance business only. Penalty for violation, fine of \$500. Reinsurance policies need not be signed by resident agents. The Insurance Commissioner rules that admitted fire insurance companies cannot reinsure for or in unlicensed marine companies. The Insurance Commissioner rules that a licensed company cannot reinsure risks taken by an unlicensed company, and states that he will promptly cancel the license of a company doing so.

**REINSURANCE RESERVE**—Insurance Law, Sec. 4704. " \* \* \* The actual unearned portion of the premiums written in its policies."

**RESIDENT AGENTS**—Ins. Law, Sec. 4746. "Foreign insurance companies, upon complying with the conditions set forth, applicable to such companies, may be admitted to transact in this State by constituted agents resident therein, any class of insurance authorized by the laws now or hereafter in force relative to the duties, obligations, prohibition, and penalties of insurance companies, and subject to all the laws applicable to the transaction of such business by foreign insurance companies and their agents." Agents are forbidden to sign blank policies, under a penalty of \$100 to \$200 for each offense. A condition of admission is that a "foreign" company "shall appoint as its agent or agents in the State some resident or residents thereof." Insurance Laws, Sec. 4764. "That foreign fire insurance companies legally authorized to do business in this State through regularly commissioned and licensed agents located in this State, shall not make contracts of fire insurance on property herein save through such resident agents as are regularly commissioned by them and licensed to write policies of fire insurance in this State. No provision of this section is intended to do or shall apply to direct insurance covering the rolling stock of railroad corporations or property in transit while in the possession and custody of railroad corporations or other common carriers." Insurance Laws, Sec. 4765, provides that "every fire insurance company authorized to do business in the State is hereby prohibited from authorizing or allowing any person, agent, firm or corporation who is a non-resident of this State to issue or cause to be issued except through a licensed agent any policy of insurance on property located in this State." Sec. 4766. "Any person, agent, firm or corporation licensed by the Insurance Commissioner to act as a fire insurance agent in this State is hereby prohibited from paying directly or indirectly any commission, brokerage or other valuable consideration on account of any policy covering property in this State, to any person, agent, firm or corporation who is a non-resident of this State, or to any person, agent, firm or corporation not duly licensed by the Insurance Commissioner as a fire insurance agent." The law passed in 1905 allowed a resident agent to pay not exceeding five per centum of any premium to a licensed non-resident broker. Penalty for first violation, revocation of license for three to six months; for second violation, revocation of license

for one year. Every policy issued in North Carolina must be countersigned by a licensed resident agent of the company issuing it.

**SEMI-ANNUAL STATEMENTS**—See "Tax Statements."

**STANDARD POLICY**—The standard form of policy recommended by the National Convention of Insurance Commissioners has been in use since January 1, 1916. See "Miscellaneous." Penalty for violations, \$50 to \$200 for each offense, but policy will be binding upon the company. Standard policy in size to fit typewriter may be used. Basis rate, deficiency charge, credit for improvements and rate at which written must be written or stamped upon each policy; and when rates are changed property-owners must be informed of details, which must also be filed with Insurance Department. Before issuing a policy on property in a city or town, an agent must inspect the property to be insured, informing himself as to its value and insurable condition.

**TAXES**—Chap. 285, Sec. 67, Laws 1915. "All of said companies shall pay a tax of two and one-half per centum upon the amount of their gross receipts in this State; provided, that if any general agent shall file with the Insurance Commissioner a sworn statement showing that at least one-fourth of the entire assets of his company, when his company has assets, are invested in and are maintained in any or all of the following securities or property, viz.: Bonds of this State or of any county, city or town of this State, or any property situate in this State and taxable therein, then the tax shall be one per centum upon the gross receipts aforesaid, and the license fee shall be one-half of that named above; and if the amount so invested shall be three-fourths of the total assets the tax shall be one-quarter of one per centum, and the license fee one-fourth of that named above."

\* \* \* "No county or corporation shall be allowed to impose an additional tax, license or fee." Tax is payable to Insurance Commissioner. A tax of five per cent on gross premiums on risks placed by citizens or licensed brokers in unauthorized companies is imposed. Five per cent of premiums paid direct by the insured to unlicensed companies must be withheld and remitted to the Insurance Commissioner. See "Fire Department Tax."

**TAX STATEMENTS**—Must be filed within the first thirty days of January and July in each year. Fire Department tax statements must be filed annually, within sixty days after December 31, of all premiums received during the year in each town in which the tax is payable. Tax is payable within seventy-five days after December 31, to the Insurance Commissioner.

**VALUED POLICY**—No provision.

## COUNTY TAXES AND FEES.

None.

## MUNICIPAL TAXES AND FEES.

None.

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**CALENDAR—NORTH CAROLINA**

On or before

Jan. 30	Semi-annual tax statements must be filed.
Feb. 15	Semi-annual state premium tax is payable.
March 1	Insurance Department attends to publication of statement. Annual statement must be filed. Fire department tax statement must be filed.
March 15	Fire department tax is payable.
April 1	Company license must be secured. General, district, State and local agents' and adjusters' licenses must be obtained.
July 30	Semi-annual tax statement must be filed.
Aug. 15	Semi-annual state premium tax is payable.

# NORTH DAKOTA.

## STATE REQUIREMENTS.

**AGENTS DEFINED**—Law of 1903, Chap. 112, Sec. 1. "Whoever solicits insurance on behalf of an insurance corporation or person desiring insurance of any kind, or transmits an application for a policy of insurance, other than for himself, to or from any such corporation, or who makes any contract for insurance, or collects any premiums for insurance, or in any manner aids or assists in doing either, or in transacting any business of like nature for an insurance corporation, or advertising to do any such thing, shall be held to be an agent of such corporation to all intents and purposes, unless it can be shown that he receives no compensation for such services." Penalty for acting as agent without license, fine of \$50 to \$500 for each offense.

**AGENTS' LICENSES**—Revised Code, Chap. 14, Sec. 3124. "No agent shall act for any insurance company, directly or indirectly, in taking risks or transacting the business of insurance without procuring from the Commissioner of Insurance a certificate of authority stating that such corporation or company has complied with all the requisites of this chapter." Certificates must be renewed annually April 1. License required for each member of firm or agency corporation as the department does not issue licenses in the name of any firm or corporation. Applications for licenses must be made by companies. An officer of a company shall obtain an agent's license if he solicits insurance.

**ANNUAL STATEMENTS**—Must be filed not later than March 1 each year for year ending December 31 preceding. Penalty for not filing statement required, \$100 for each day's neglect; for wilfully making false statement, \$500 to \$1000. No annual statements required other than those filed with Insurance Department. The Tax Commissioner requires the annual filing of capital stock and income-tax reports.

**ANTI-COINSURANCE**—No prohibition of use of coinsurance clauses.

**ANTI-COMPACT**—No restriction upon co-operation.

**ANTI-DISCRIMINATION**—Section 4922. Law of 1919. If the Commissioner of Insurance has, or shall have at any time after examination, reason to believe that any annual statement or other report, required or authorized by this article, made or to be made out by an officer or agent of any insurance company, is false, or if the Commissioner of Insurance has or shall have, at any time after examination, reason to believe that any insurance company practicing discrimination against individual risks in the issuing or cancellation of policies, it shall be the duty of said Commissioner of Insurance immediately to revoke the certificate of authority of such company, and mail a copy of such revocation to such company and to the agents thereof in this State, and such company and its agents, after such notice, shall discontinue the issuance of any new policies or the renewal

of any policies previously issued; and such revocation shall not be set aside nor any new certificate or authority be given until satisfactory evidence shall have been furnished to said Commissioner of Insurance that such company is in substance and in fact in the condition set forth in such statement or order or that such discrimination has not been practiced or that such practice of discrimination will immediately cease, and that the requirements of this article have been fully complied with. No action on the grounds of discrimination shall be taken by said Commissioner unless upon a written complaint under oath or information and belief of the person or persons interested, showing in substantial detail the ground for complaint with such data as will reasonably enable the Commissioner to determine whether there is probable cause therefor, and no such action shall be taken, nor shall there be any examination thereon until a copy of said complaint and data shall have been sent by registered mail to the insurance company concerned and such insurance company shall have had at least ten (10) days' notice of the date when such examination is to be held.

**ATTORNEY**—The Commissioner of Insurance must be appointed attorney to accept service of legal process.

**CANCELLATION OF POLICY**—Covered by standard policy form. Policies may be canceled on five days' notice, at short rates by insured or pro rata by company. Short-rate table coincides with "Western Union" table, except for six months' period in annual table, which is 67 per cent.

**CAPITAL REQUIRED**—Company must possess actual cash capital to the amount of \$250,000, exclusive of losses reported, taxes, expenses and re-insurance reserve.

**COMMISSIONS TO NON-RESIDENTS**—Commissions must be paid to resident agents.

**DEPOSIT**—None required. Foreign company must file certificate from official of the State in which deposit is made that a stipulated sum has been deposited in that State.

**DOMESTIC COMPANIES**—Revised Code, Sec. 4836, amended 1917. "Any number of persons, not less than seven, may form a corporation to carry on the business of insurance, either upon the stock or mutual plan, against loss or damage by fire, lightning, cyclone, tornado, hail or theft, or the risks of inland navigation and transportation or to make insurance upon the lives of persons and every insurance pertaining thereto, and against accidental injuries, including the granting, purchasing and paying of annuities and indemnities, and to transact fidelity insurance and corporate suretyship; also including insurance upon automobiles, covering in one policy or in separate policies, fire, theft, property damage, liability and collision insurance. An insurance company incorporated under the provisions of this chapter shall have power to make insurance of any kind hereinbefore mentioned which shall have been expressed in its articles of incorporation." Revised Code, Chap.

14, Sec. 3088. "The articles of incorporation shall set forth in addition to what is required to be set forth in Chap. 11, Sec. 2861, as follows: 'The name of the corporation; the purpose for which it is founded; the place where its principal business is to be transacted; the term for which it is to exist; the number of its directors or trustees, and names and residences of those who are to serve until their successors are elected and qualified; if there is a capital stock, its amount and the number of shares into which it is divided; the kind of insurance proposed to be made, and whether on the stock or mutual plan; the period for the commencement and termination of its fiscal year, and the period for which it is incorporated, not to exceed thirty years, and shall be filed in the office of the Commissioner of Insurance.' " Minimum capital stock, \$250,000, of which 25 per cent must be paid in before company begins business, and the balance within twelve months after filing articles of incorporation; except that time may be extended not exceeding one year by the Commissioner for good cause. State Bank Examiner has supervision over promotions.

**EXAMINATIONS**—Revised Code, Chap. 14, Sec. 3125. "Before granting certificates of authority to an insurance company to issue policies or make contracts of insurance the Commissioner of Insurance shall be satisfied by such examination and evidence as he sees fit to make, and require that such company is duly qualified under the laws of the State to transact business therein. As often as once in two years he shall personally, or by his deputy or chief clerk, visit each domestic insurance company and thoroughly inspect and examine its affairs, especially as to its financial condition and ability to fulfil its obligations, and whether it has complied with the law. He shall also make an examination of any such company whenever he deems it prudent to do so, or upon the request of five or more of the stockholders, creditors, policyholders or persons pecuniarily interested therein, who shall make affidavit of their belief, with specifications of their reasons therefor, that such company is in an unsound condition. Whenever he deems it prudent for the protection of the policyholders in this State he shall in like manner visit and examine, or cause to be visited or examined by some competent person appointed by him for that purpose, any foreign insurance company applying for admission, or already admitted, to do business by agencies in this State, and such company shall pay the proper charges incurred in such examination, including the expense of the Commissioner or his deputy."

**FEES**—For filing declaration and charter, \$25; for filing annual statement, \$10; for each certificate of authority, \$2; for each abstract for publication, \$2; for each agents' license (only one individual to be included in each certificate), \$2; for each process served upon the Commissioner, \$2; for copies of papers, 25 cents per folio, and for affixing seal thereto, \$1; for official examinations each company shall pay the proper charges incurred in such examination, including the expense of the Commissioner and his deputy. Fees are payable to Commissioner of Insurance.

**FIRE DEPARTMENT TAX**—A tax of two per centum on premiums received in cities and towns having standard fire departments is imposed for the support of the latter, but this is included in the  $2\frac{1}{2}$  per cent tax on gross premiums.

**FIRE MARSHAL**—A State Fire Marshal, with the co-operation of local authorities, investigates all fires.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—Must be filed by December 1, covering the preceding calendar year.

**GENERAL PENALTIES**—For offenses for which no penalty is specifically provided, \$100 to \$500. License is revoked on failure to pay judgment.

**IMPAIRMENT**—Revised Code, Chap. 14, Sec. 3099. "Whenever it appears to the Commissioner of Insurance that the capital of a domestic company is impaired to the extent of one-fourth or more on the basis fixed in Sec. 3095, he shall notify the company that its capital is legally subject to be made good in the mode provided by Sec. 3100, and if such company shall not, within three months after such notice, satisfy him that it has fully repaired its capital, or reduced its capital as provided in Sec. 3101, he shall institute proceedings against it in accordance with Sec. 3128." Sec. 3128. "If the Commissioner of Insurance is of the opinion upon examination or other evidence that a foreign insurance company is in an unsound condition, or if it has failed to comply with the law, or if it, its officers or agents, refuse to submit to examination, or to perform any legal obligation in relation thereto, or if a life insurance company, that its actual funds, exclusive of capital, are less than its liabilities, he shall revoke or suspend all certificates of authority granted to it or its agents, and shall cause notifications thereof to be published three times, once in each week for three successive weeks in some newspaper published at the seat of the Government, and no new business shall thereafter be done by it or its agents in this State while such default or disability continues, nor until its authority to do business is restored by the Commissioner. If upon examination he is of the opinion that any domestic insurance company is insolvent or has exceeded its powers or has failed to comply with any provisions of law, or that its condition is such as to render its further proceedings hazardous to the public or its policyholders, he shall apply to the district court of the county in which the principal office of the company is located to issue an injunction restraining it, in whole or in part, from further proceeding with the business."

**INVESTMENTS PRESCRIBED**—A domestic company may invest its capital and funds or any part thereof in bonds or treasury notes of the United States or in bonds of the State or in bonds of any county or incorporated city in the State authorized to be issued by the legislative assembly, and may loan such capital and funds or any part thereof on the security of such bonds, notes or upon bonds or mortgages on improved unencumbered real estate within the State worth double the amount loaned thereon; but the surplus moneys over and above the capital stock of such insurance companies may be invested in or loaned upon the



pledge of bonds of the United States or of any of the States, or stocks, bonds or other evidences of indebtedness of any solvent dividend-paying institution incorporated under the laws of the United States except its own stock, provided always that the market value of above evidences of indebtedness shall be at all times during the continuance of such loan at least ten per cent more than the amount loaned thereon.

**LIMIT ON A SINGLE RISK**—Ten per cent of paid-up capital, exclusive of any guaranty, surplus, or special reserve fund, unless the excess shall be reinsured in some other good reliable company.

**LLOYDS**—No provision. The word "company" in the law is defined as including all corporations, associations, partnerships or individuals engaged as principals in the business of insurance.

**MARINE INSURANCE**—The laws applicable to fire insurance also govern the transaction of marine insurance.

**MUTUAL COMPANIES**—Law of 1919, House Bill 88. Twenty or more persons, the majority of whom are residents of North Dakota, may form a mutual company to transact fire and marine, hail, flood, earthquake, explosion, etc., insurance by first procuring certificate of authority from the Commissioner; it shall have twenty policies in force to at least twenty members for the same kind of insurance upon not less than 200 separate risks. The maximum single risks shall not exceed 20 per cent of the admitted assets or three times the average risk or one per cent, of the insurance in force, whichever is greater. Deduction may be made for simultaneous reinsurance.

The maximum premium payable by any member shall be expressed in the policy or in the application of insurance. Unearned premium reserve equal to that required of stock companies must be maintained. See Reciprocal Insurance. County mutuals may be formed by fifty persons in not more than ten counties, owning \$100,000 of property which they desire to insure, or by twenty-five persons in one county, owning \$25,000 of property. Other State mutuals must have at least \$200,000 of insurance in force.

**PRELIMINARY DOCUMENTS**—Company must file with the Commissioner of Insurance certified copy of its charter and by-laws, power of attorney to Commissioner of Insurance, and a statement showing its financial condition and certificate of compliance from home office, and report on an official examination conducted within the past two years.

**PUBLICATION**—Statements for publication made out on blanks furnished by the Commissioner of Insurance, together with the certificate of authority of the Commissioner, must be published at least three times in a newspaper of general circulation printed and published in each judicial district of the State in which the company has an agency. State Publication and Printing Commissioner designates the newspapers in which publication must appear. Cost of publication, authorized rate for legal notices. A mutual company must publish statement once in county in

which it does business. Proofs of publication, together with bills for fees, are submitted direct to the companies by the various newspapers.

**RECIPROCAL INSURANCE**—Laws of 1919, House Bill 93. Individuals, partnerships and corporations of this State, hereby designated subscribers, are authorized to exchange reciprocal or inter-insurance contracts with each other or with individuals, partnerships and corporations of other States and countries providing indemnity among themselves from any loss which may be insured against under other provisions of the laws excepting life insurance.

Contracts may be executed by an attorney acting for such subscribers. Subscribers must make the declaration set forth by law; that applications have been made for insurance upon at least one hundred separate risks aggregating at least \$1,500,000, must deposit with the attorney for payment of losses not less than \$25,000. Insurance Commissioner must be appointed as agent for service of process. No subscriber can assume on any single risk more than ten per cent of his net worth. The reserve fund in cash or convertible securities must equal one-half the net annual deposits collected and credited to the accounts of the subscribers on policies for one year or less in force, and pro rata on others. This reserve fund shall at no time be less than \$25,000. An annual report must be made showing the exchange's condition, not later than March 1. Attorney filing annual report shall pay as an annual license fee two and one-half per cent of the gross premium or deposits of the subscribers, deducting all amounts returned to subscribers or credited to their accounts, and shall further pay an annual fee of \$15.

**RECIPROCAL LAW**—Revised Code, Chap. 14, Sec. 3133. "Whenever the laws of any other State of the United States or foreign country shall require of insurance companies incorporated under the laws of this State, or of the agent thereof, any deposits of securities in such State for the protection of policyholders or otherwise, or any payment for taxes, fines, penalties, certificate of authority, license or fees greater than the amount required for such purpose from similar companies of other States by the then existing laws of this State, then and in every such case, all insurance companies of such States establishing or having heretofore established an agency in this State, shall be and are hereby required to make the same deposit for a like purpose with the State Treasurer of this State, and to pay to the Commissioner of Insurance an amount equal to the amount of such charges and payments imposed by the laws of such other States upon the companies of this State and the agents thereof."

**REINSURANCE**—Act of February, 1901, Sec. 2. "No fire insurance company or association shall reinsure, or assume as a reinsuring company, or otherwise, in any manner or form whatever, the whole or any part of any risk or liability, covering property located in this State, of any insurance company or association not authorized to transact business in this State." Penalty for violation, \$500 for each offense, and for failure to pay fine,

license shall be revoked until payment is made. The Insurance Commissioner rules that the acceptance of reinsurance of risks on North Dakota property by authorized companies from those which are not authorized, is illegal. The Attorney-General, under date of June 12, 1920, states that in his opinion, under the present laws, "an authorized insurance company may not legally place reinsurance with an unauthorized company." Of course, if this was done, the contract of reinsurance would undoubtedly be upheld in a civil action. Companies are required to report premiums received from other companies on account of reinsurance.

**REINSURANCE RESERVE**—Must be maintained at forty per cent of unexpired premiums.

**RESIDENT AGENTS**—Act of February, 1901, Sec. 1. "No insurance company or association not incorporated under the laws of this State, authorized to transact business therein, shall make, write, place or cause to be made, written or placed, any policy, duplicate policy or contract of insurance of any kind or character, or any general or floating policy, upon property situated or located in this State except after the said risk has been approved, in writing, by an agent who is a resident of this State, regularly commissioned and licensed to transact insurance business therein, who shall countersign all policies so issued and make a record of the same on books provided for that purpose and receive the commission thereon when the premium is paid, to the end that the State may receive the taxes required by law to be paid on the premiums collected for insurance on all property located in the State, and the agents be paid the commission thereon. Nothing in this act shall be construed to prevent any such insurance company or association, authorized to transact business in this State from issuing policies at its principal or department offices covering property in this State, provided that such policies are issued upon applications procured and submitted to such company by agents who are residents of this State, and licensed to transact the business of insurance herein, and who shall countersign all policies so issued and receive the commission thereon when paid; provided, no provision of this section is intended to or shall apply to direct insurance covering the rolling stock of railroad corporations or property in transit, while in the possession and custody of railroad corporations or other common carriers, nor to the movable property of such common carriers used or employed by them in their business as common carriers of freight, merchandise or passengers." Penalty for violation, \$500 for each offense, and for failure to pay fine, license shall be revoked until payment is made. It is ruled that it is a violation of law for a non-resident agent to be connected in any way with the writing of insurance on North Dakota property or for a company to have policies signed in blank by a resident agent, etc.

**SEMI-ANNUAL STATEMENTS**—None required.

**STANDARD POLICY**—The use of a standard policy form similar to old New York form is required. Penalty for using other than standard form, \$50 to

\$100 for first, and \$100 to \$250 for each subsequent offense. See "Valued Policy." Clause covering loss or damage by explosion, when fire does not ensue, cannot be attached to a fire policy, under a ruling of the Insurance Department.

**TAXES**—Two and one-half per cent of the gross premiums received in the State during the preceding year, less return premiums and cancellations and reinsurance premiums received from admitted companies, to be paid before renewal of certificates. Fire Marshal tax is levied on domestic stock and mutual fire companies to an amount of  $\frac{1}{2}$  per cent on gross premiums and assessments, less return premiums on all direct business. No local taxes. Tax is payable to Commissioner of Insurance.

House Bill 47, passed at the 1919 session, becoming effective July 1, 1919, provides for an annual excess tax on domestic and foreign corporations as follows:

Domestic corporations shall pay at the rate of 50 cents for each \$1000 of the capital stock or bonds issued. Foreign corporations shall pay on the rate of 50 cents for each \$1000 of the capital actually invested on the transaction of business in North Dakota (provided, however), that in case a corporation does business partly within and partly without the State, investments within the State shall be held to mean that proportion of the entire stock and bond issue which its business within the State bears to its total business within and without the State.

Tax statements shall be filed not later than July 1 with the State Tax Commissioner, payable annually August 1.

Penalty for payment to the State Treasurer within thirty days after date due, punishable by a fine of 10 per cent and 1 per cent per month until the tax is paid.

Senate Bill 37 of the laws of 1919 imposes an income tax upon domestic and foreign corporations of three per cent of the total net income. Tax statements must be filed before March 1. Payment must be made within ten days after June 15.

**TAX STATEMENTS**—Must be filed by March 1. Fire department tax returns are included in annual statements.

**VALUED POLICY**—Law of 1907, Sec. 1. "Whenever any policy of insurance shall be written to insure any real property in this State against loss by fire, and that property insured shall be destroyed without fraud on the part of the insured or his assigns, the amount stated of the insurance written in such policy shall be taken conclusively to be the true value of the property insured." Sec. 2. "All acts and parts of acts in conflict with the provisions of this act are hereby repealed." The Attorney-General holds that this law is constitutional; that it does not conflict with the Standard Policy law, simply making the amount stated in the policy conclusive evidence of the value of the insured property; that there is nothing in the law which prohibits the company from making an agreement with the insured that in case of loss he would accept a certain portion of the

actual value of the property; and that it is lawful for a company to attach a three-fourths value clause to a policy, as this law simply makes the amount stated in the policy conclusive as to the value of the insured property. As of Aug. 1, 1917, the Insurance Department asked the Attorney-General for an opinion as to whether a conflict does not exist between the valued policy law (6624 Ins. Law of N. D.) and the first three lines of the standard policy of North Dakota relating to valuation of property.

#### COUNTY TAXES AND FEES.

None.

#### MUNICIPAL TAXES AND FEES.

None.

#### CALENDAR—NORTH DAKOTA

On or before

March	1	Annual statement must be filed (includes fire department returns). Tax statement must be filed. Premium tax is payable.
April	1	Agents' licenses must be secured. Fire marshal tax is payable by domestic companies. Company license must be secured.
July	1	Special excise tax return filed with Tax Commissioner. Proof of publication of statement must be filed.
Aug.	1	Special excise tax assessed by Tax Commissioner.
Sept.	15	Special excise tax due and payable.
Dec.	1	Foreign companies' home office statements to be filed.

*For information compensation  
for an application to  
the State and letter  
filed.*

# OHIO.\*

## STATE REQUIREMENTS.

**AGENTS DEFINED**—Sec. 9586. "A person who solicits insurance and procures the application therefor, shall be held to be the agent of the party, company or association thereafter issuing a policy upon such application or renewal thereof, anything in the application or policy to the contrary notwithstanding."

**AGENTS' LICENSES**—Agents must procure licenses, which expire on the last day of February next after they are issued. Company must make applications for agents' licenses on form prescribed. Agents may employ solicitors, who must be licensed. Firms are licensed the same as individuals, and at equal cost. Each member of a firm must have a separate license. Corporations may be licensed as agents, but each officer and agent of the agency corporation transacting insurance, and also such corporation, must have separate license, for each of which separate fee is charged.

**ANNUAL STATEMENTS**—Must be filed within thirty days after January 1, showing the condition as of December 31 next preceding. No annual statements are required other than those filed with Insurance Department. Classification of business is required only as set forth on annual statement.

**ANTI-COINSURANCE**—The anti-coinsurance law was repealed in 1902. This repeal does not affect the provisions of the valued policy law, which applies to insurance on buildings and structures, and requires, in event of total loss, payment in full of the amount named in the policy; or, in case of partial loss, the full amount of the partial loss.

**ANTI-COMPACT**—Sec. 9563. "If such company, association or partnership doing business in this State makes an application for a change of venue, or to remove a suit begun in a court therein in which it has been sued by a citizen of this State, to the United States District or Circuit Court, or to any Federal Court, or enters into any compact with other insurance companies, or requires its agents to enter into any compact or combination with other insurance agents or companies, for the purpose of controlling the rates charged for fire insurance on property in the State, or for the purpose of controlling the rates per cent amount of commission or compensation to be allowed agents for procuring contracts for such insurance on such property, the Superintendent of Insurance forthwith shall revoke and recall the license to it to do business in this State, and no renewal thereof shall be granted for three years after its revocation; such company, association or partnership also shall be prohibited from transacting any business in this State until again duly licensed and authorized." Sec. 9564. "Nothing in the preceding section shall prevent one or more of such companies from employing a common agent or agents to supervise

\*Sectional numbers are the same as the General Code of Ohio.

defective structures, or advise respecting them, and to suggest improvements for lessening their fire hazards or to advise as to the relative value of such risks."

**ANTI-DISCRIMINATION**—Law of 1917 prohibits discrimination between risks of the same class. See "Rating Bureaus to be Maintained."

**ANTI-REBATE**—No fire insurance company doing business in Ohio, or any officer, agent, solicitor or representative thereof, shall pay, allow or give, or offer to pay, allow or give, directly or indirectly, as an inducement to purchase fire insurance, any rebate of premiums payable on the policies or any special favor or advantage or any benefit to accrue thereon, or any payment or contract for services of any kind, or any valuable consideration or inducement whatever not specified in the policy contract of insurance. The receipt of such gifts or emoluments is also prohibited. Penalty for violation, heavy fine or imprisonment.

**ATTORNEY**—A stipulation must be filed with the Superintendent of Insurance by other than Ohio companies, providing that service of legal process upon any agent of the company in the State shall be valid.

**CANCELLATION OF POLICY**—Policy form must contain provision for cancellation "at any time, upon the written request of the person insured." Short rates may be retained by company on cancellation by insured of cash policy; and the holder of a mutual policy must pay his proportion of losses occurring before receipt of policy for cancellation before his note can be surrendered to him.

**CAPITAL REQUIRED**—Stock company must have at least \$100,000 paid-up capital.

**COMMISSIONS TO NON-RESIDENTS**—Payment of brokerage to non-resident is not permitted, unless he holds a broker's license.

**DEPOSIT**—Sec. 9565. "A company incorporated by or organized under the laws of a foreign government shall deposit with the Superintendent of Insurance, for the benefit and security of its policyholders residing in the United States, a sum not less than \$100,000 in stocks or bonds of the United States, or the State of Ohio, or any municipality or county thereof, which shall not be received by the Superintendent at a rate above their par value. \* \* \*" Deposits of mutual companies for other State policyholders' protection accepted.

**DOMESTIC COMPANIES**—Sec. 9512. "The articles of incorporation of a company formed for the purpose of insurance, other than life insurance, must be forwarded to the Secretary of State, who shall submit the same to the Attorney-General for examination, and if found by him to be in accordance with the provisions of this chapter, and not inconsistent with the constitution and laws of this State and of the United States, shall certify and deliver back the same to the Secretary, who may reject any name or title of any company applied for when he deems the same similar to one already appropriated, or likely to mislead the public." Sec. 9513. "Upon the approval of the articles by the Attorney-General and the Secre-

tary of State, the Secretary shall cause the same to be recorded and copied in the same manner as is provided in the preceding chapter, and a copy thereof to be deposited with the Superintendent of Insurance, who shall withhold from the company the certificate of authority if its name is so similar to the name of any other company as to mislead the public." Sec. 9524. "Except as hereinafter provided, no joint stock insurance company shall be organized under this chapter, or permitted to do business in this State, with a less capital than \$100,000, which must be fully paid up before the company shall be entitled to transact business. But on the payment of twenty-five per cent of its capital stock a live stock company may do business.

**EXAMINATIONS**—Sec. 625. "The Superintendent, or a person appointed by him for that purpose, may make an examination into the affairs of any insurance company doing business in this State, such company, its officers and agents shall submit their books and business to such examination, and in every way facilitate it. \* \* \* \* The actual expenses incurred by such examinations shall be paid by the State Treasurer on the warrant of the State Auditor upon the certificate of the Superintendent of Insurance; provided that, when any examination is made upon the demand of the company therefor, the expenses of the same shall be paid by the company; and provided further, that, when, by the laws of any other State, district, territory or nation, examinations of companies of this State are required or permitted to be made by the Insurance Department or other authority of such State, district, territory or nation, at the expense of such companies, then the expenses of all examinations made by the Insurance Department of this State of all companies of such State, district, territory or nation shall be respectively charged to and collected from the company so examined." A mutual fire association may be examined by an appointee of the Court of Common Pleas on application of one interested party, in which case a refusal to permit examination is deemed contempt of court.

**FEES**—For filing charter, \$25; for filing annual statement, \$20; for each certificate of authority or license to company, \$2; for each agent's license (foreign company), (firms are treated as individuals), \$2; solicitors' license, \$2; copy of papers on file, 20 cents per folio; certifying same, \$1; for agent's compliance (one for each county in which there is an agent) for publication, \$1; for license to procure insurance in unauthorized companies, \$10; for license to non-resident to act as insurance broker, \$10; for collection of interest on deposits of companies of foreign governments, \$25 per \$100,000. The foregoing fees are payable to the Superintendent of Insurance; county recorder's filing fee, 10 cents. Reciprocal provision.

**FIRE DEPARTMENT TAX**—None.

**FIRE MARSHAL**—A State fire marshal, with the co-operation of local



authorities, investigates all fires. A tax for the support of this department is levied on domestic and foreign fire insurance companies. See "Taxes."

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—Required to be filed by January 31.

**GENERAL PENALTY**—Sec. 672. "Whoever violates any provision herein relating to the Superintendent of Insurance or any provision of an insurance law of this State, for the violation of which no penalty is elsewhere provided, shall be fined not more than \$1000 or imprisoned not more than six months, or both. Sec. 673. Any corporation, company or association violating any of the provisions of this chapter, or of any insurance law of this State for the violation of which no forfeiture or penalty is elsewhere provided, shall forfeit and pay not more than \$1000 nor less than \$100, to be recovered by action in the name of the State, and on collection paid to the Superintendent of Insurance to be covered by him into the State Treasury." Penalty, publishing any but authorized statement, \$500 for first offense and \$1000 for each violation after the first.

**IMPAIRMENT**—Sec. 628. "If it appears to the Superintendent, upon satisfactory evidence, that the assets of an insurance company organized under the laws of this State after deducting therefrom all liabilities, including reinsurance reserve or unearned premium fund computed according to the laws of this State, are reduced twenty per cent or more below the capital required by law, he shall require such company to restore such deficiency within such period as he designates in such requisition. Sec. 629. "If such deficiency is more than 40 per cent of the capital required by law, such company shall not thereafter issue any new policies or transact any new business until it receives from the Superintendent of Insurance a license authorizing it to do business, or until so authorized by a court in a proper proceeding therein. If the deficiency is more than 20 per cent and less than 40 per cent of the capital required by law, and the officers of the company certify that the deficiency will be restored by the company, such company may continue business for 30 days from the date of such requisition. If at the expiration of the 30 days any portion of the deficiency is not restored, the company shall not thereafter issue new policies or transact new business until authorized by the Superintendent or by a court in a proper proceeding therein." Sec. 9607-14. "When the reserve fund of a mutual company is impaired less than 25 per cent the company shall levy an assessment to restore such impairment. Impairment must be restored within 90 days."

**INVESTMENTS PRESCRIBED**—A law of 1915, amending sections 9518 and 9519 of the General Code, provides that the capital of a domestic company must be invested in bonds of the United States, or of the State of Ohio, or in any other State in the United States, or of any municipality or county or township thereof, or in bonds and mortgages on unincumbered real estate within the State of Ohio or any other State worth double the amount loaned thereon; if the amount loaned shall exceed one-

half the value of the land mortgaged, exclusive of structures thereon, such structures to be insured in an authorized fire insurance company other than the company making such loan in an amount not less than the difference between one-half the value of such land, exclusive of structures and the amount loaned, and the policy assigned to the mortgagee. Also in the stock of any national bank located in the State of Ohio or in first mortgage bonds of railroads within the State of Ohio, upon which default in the payment of the interest coupons has not been made within three years previous to the purchase thereof. The surplus accumulations of a domestic company may be invested in or loaned upon the above-mentioned securities or upon mortgages upon unencumbered real estate within the State or any other State of the United States worth fifty per cent more than the sum loaned thereon, exclusive of buildings, unless such buildings are insured in some company authorized to do business in Ohio, and the policy transferred to the company making the investment, or in bonds of any State, county, township, municipal corporation, school district or other political subdivision in the United States, or in stocks, bonds or other evidences of indebtedness of any solvent dividend-paying institution incorporated under the laws of the State of Ohio, or of any other State, or of the United States, except its own stock, or in negotiable promissory notes, maturing in not more than six months from the date thereof, secured by collateral security through the transfer of any of the classes of securities above described, with absolute power of sale within twenty days after default in payment at maturity. Sec. 9520, as amended, 1917. "No company shall own more than one-fourth of the capital stock of any national bank, nor invest in, nor loan on the stocks and bonds, both included, of any railroad company, to an extent exceeding one-fifth of its own capital, nor in the aggregate shall the investment in and loan on all railroad property exceed one-fourth of its capital and surplus. Not more than one-half of its capital shall be loaned on mortgages of real estate, as above provided for the investment thereof, and not more than one-tenth of the capital actually existing of any company shall be invested in a single mortgage; the current market value of all such stocks, bonds, or other evidences of indebtedness, as above mentioned, in which the accumulations or surplus money over and above the capital stock of any insurance company may be loaned or invested, must be at all times during the continuance of such loan at least twenty per cent more than the sum loaned thereon; Sec. 9521, if an investment or loan be made in a manner not authorized by this chapter, the directors who make or authorize the same shall be personally liable to the stockholders for any loss occasioned thereby." A law of 1917 provides that investments in farm loan bonds shall be legal investments for a company's capital stock and accumulations.

**LICENSED BROKERS**—Sec. 660: "The Superintendent of Insurance may issue licenses to citizens of this State, subject to revocation at any

time, permitting the person named therein to solicit and issue fire, lightning, explosion, tornado or marine insurance, on property in this State, in insurance companies not authorized to transact business in this State. Each such license shall expire on the thirty-first day of March next after the year in which it is issued, and may be then renewed." Provided, however, any officer, agent, solicitor, broker, inspector, adjuster, or employee of any unauthorized insurance company not licensed under section 660, or any agent, broker or other representative of the owner of property in this State, or any adjuster, agent or person who shall take or receive any application for insurance upon property in this State, or receive or collect a premium or any part thereof for any unauthorized insurance company, or adjust any loss thereon, or make any inspection thereof, or shall attempt or assist in any such act, or perform any act in this State relating to or concerning any policy or contract of insurance of any unauthorized insurance company, shall be punished by a fine of not less than \$25.00, nor more than \$500.000 or by imprisonment in the State penitentiary for not exceeding one year, or by both fine and imprisonment. Sec. 661. "For each such license and renewal, the Superintendent of Insurance shall collect \$10, and such licenses and renewals shall be filed with the recorder and published annually in the county where such agent's office is located in the same manner as is required of certificates of compliance are filed and published." Sec. 662. "Before the person named in such license shall solicit or issue any insurance in such companies on any such property, he shall in every case file with the Superintendent of Insurance his own affidavit and the affidavit of the person, or of the president or secretary of the corporation, owning the property on which the insurance is proposed to be placed, which shall have force and effect one year only from the date thereof, that such owner is unable to procure from companies authorized to do business in this State the amount of insurance necessary to protect said property." Sec. 663. "Each person so licensed shall keep a separate account of the business done under his license, a certified copy of which account he shall forthwith, on procuring or issuing any such policy, file with the Superintendent of Insurance, showing the amount of such insurance, the name of the owner, brief description and location of the property, gross premium charged, name of company in which the insurance is placed, date of policy and term thereof, and also a report in the same detail of all such policies canceled and gross return premiums thereon." Sec. 664. "Before receiving such license such persons shall execute and deliver to the Superintendent of Insurance a bond in the sum of \$2000, payable to the State, with at least two sureties, approved by the Superintendent, and conditioned that he will faithfully comply with all the requirements of this law, and will annually file with the Superintendent of Insurance, in January, a sworn statement of the gross premiums charged for insurance procured or placed,

and the gross premiums on such insurance canceled under such license during the year ending on the thirty-first day of December last preceding, and at the time of filing such statement will pay to the Superintendent of Insurance an amount equal to 5 per cent of the balance of such gross premiums after deducting such premiums so reported." Residents of Ohio securing insurance from unlicensed companies or Lloyds, must report such transactions within 10 days after July 1, and pay a tax of 5 per cent. on the premiums paid for such insurance, under penalty of \$100 to \$500 for each offense; but this does not apply to members of inter-insurance associations made up of residents of Ohio. Sec. 644-2, Laws of 1917, allows non-residents to obtain licenses as insurance brokers. License expires last day of February.

**LIMIT ON A SINGLE RISK—No provision.**

**LLOYDS—**Sec. 665. "No company, corporation or association, whether organized in this State or elsewhere, shall engage, either directly or indirectly, in this State in the business of insurance, or enter into any contracts substantially amounting to insurance, or in any manner aid therein, or engage in the business of guaranteeing against liability, loss or damage, unless it is expressly authorized by the laws of this State and the laws regulating it and applicable thereto, have been complied with." Sec. 9560. "No company, association or partnership organized under the laws of another State, shall take risks or transact business of insurance in this State, directly or indirectly, unless possessed of the amount of actual capital required by similar companies formed under the provisions of this chapter, nor unless the capital stock of the company is paid up and invested as required by the laws of the State where it was organized. \* \* \*

**MARINE INSURANCE REQUIREMENTS—**The law does not differentiate between fire and marine insurance.

**MISCELLANEOUS—**Sec. 9585. "The cellar and foundation walls shall not be included or considered a part of the building or structure in settling losses, anything in the application or policy to the contrary notwithstanding." Concerning change of venue, see "Anti-Compact."

**MUTUAL COMPANIES—**Foreign mutual companies must have actual cash assets of the same amount and description as is required of mutual fire insurance companies of Ohio after organization. No domestic mutual company shall commence business until it shall have in force twenty policies from at least twenty members upon not less than 100 risks. The maximum single risk shall not exceed twenty per cent of the admitted assets or three times the average risks, or one per cent of the insurance in force, whichever is the greater. It shall at all times contain as a premium reserve a sum of \$10,000. Premium may be a cash premium and an additional contingent premium not less than the cash premium, or it may be solely a cash premium. Not less than ten residents of Ohio, or of an adjoining State, owning property in Ohio, may form a mutual fire associa-

tion for their mutual protection, and such associations are exempt from the foregoing requirement. All buildings insured by a mutual company are pledged to the company to secure the amount of the premium note or contingent liability.

**PRELIMINARY DOCUMENTS**—Company must file with the Superintendent certified copy of its charter and by-laws, and a verified statement showing its financial condition; copies of policy contracts and specimens of literature; copy of certificate of authority issued by its own State Department; a waiver authorizing any agent to accept service of legal process, and an appointment of at least one agent; companies of foreign governments must also file a copy of its home office statement.

**PUBLICATION**—Sec. 647-653 provide that the Superintendent of Insurance is required to annually issue to each insurance company and association which he finds should be authorized to do business in this State, upon its complying with the law and filing its annual statement, or as soon thereafter as the same can be done, his certificate reciting that it has in all respects complied with the laws of this State applicable to it and also the actual amount of paid-up capital, the aggregate amount of its assets and liabilities, together with its aggregate income and expenditures for the preceding year, as shown by the annual statement of the company or association for that year, filed with and accepted by the Superintendent, which such certificate (as to fire companies) shall expire on March 1 next, after the date of its issue. Each such company and association not incorporated under the laws of the State of Ohio, shall file a copy of such certificate, duly certified by the Superintendent, with the recorder of each county in which it has an agency, before doing business in such county under authority of such certificate; and for filing same the recorder is entitled to a fee of 10 cents. Each such company and association not incorporated under the laws of the State of Ohio shall at least once a year, and before October 1 of each year, publish such certificate in every county where it has an agency, in a newspaper published and of general circulation in the county, and having the certificate of the Superintendent of eligibility to make such publication. Every such company and association not incorporated under the laws of the State of Ohio is required to file with the Superintendent of Insurance, on or before October 1 of each year, its report in writing under oath of its president or secretary, setting forth the counties in which such publications were made, the counties in which it had agencies at the time of such publications and the names of the newspapers in which the publications were made, and shall attach as an exhibit thereto a copy of the certificate so published. The charge of the newspapers for such publication is not made with or collected by the Superintendent of Insurance, but is attended to directly by the companies themselves.

**RATING BUREAUS TO BE MAINTAINED**—Laws 1917. Every fire insurer shall maintain or be a member of a rating bureau, but only one

for rating the same risk. Rating bureaus may consist of one or more insurers. When consisting of two or more they shall admit any authorized insurer applying for admission. Expense of bureau to be shared in proportion to their premium income. Each member shall have one vote. Each rating bureau shall maintain an office in Ohio. The company, in making annual statement, must declare of what rating bureau it is a member. All risks must be inspected and a written survey shall be filed as a permanent record, copy of which shall be furnished to the owner upon request. The Superintendent of Insurance may investigate all rating bureaus and examine them as often as he deems expedient, not less than once every three years. No fire insurance company shall charge any rate for fire insurance upon property which discriminates unfairly between risks of like character, or having essentially the same hazards. No company shall deviate from the rates made by the rating bureau. The Superintendent of Insurance, upon written complaint that discrimination in rates exists between risks of the same class, may order hearing to determine such questions of discrimination, and if upon investigation the Superintendent shall deem the rate discriminatory, he shall order such discrimination removed. No fire insurance company or rating bureau shall enter into or act upon any agreement in regard to the making, fixing or collecting of any rate except in compliance with this act. Agreements made regarding fixing of rates, not contrary to public policy, shall be made in duplicate and filed with the Superintendent of Insurance and with each rating bureau of which any of the parties thereto shall be a subscriber. The Superintendent of Insurance, upon complaint, may disapprove such an agreement, which shall then be ineffective immediately upon his serving complaint. Penalty for violation of this act, fine of not less than \$25, nor more than \$200.

**RECIPROCAL INSURANCE**—Law of 1917, Sec. 1. "Individuals, partnerships and corporations of this State, herein designated subscribers, are authorized to exchange reciprocal or inter-insurance contracts with each other and with individuals, partnerships and corporations of other States, districts, provinces and countries providing indemnity among themselves from any loss which may be insured against by any fire insurance company or association under other provisions of the law. Subscribers may appoint an attorney to act for them. The attorney must file a prescribed declaration stating that applications for insurance have been made on 75 risks aggregating \$1,500,000; that he has \$50,000 for the payment of losses, which at all times must be maintained. Annual statement for calendar year must be made on or before March 1. The attorney shall pay a tax of three per cent on premiums received in Ohio during the year, and the following fees: For filing declaration, \$25; for filing financial statement, \$20; for filing each certificate of

license, \$2; for each copy of paper filed, 25 cents; for affixing seal of office, \$1. See "Lloyds."

**RECIPROCAL LAW**—Sec. 658. " \* \* \* When the by laws of any other State, district, territory or nation, any taxes, fines, penalties, license fees, deposits of money, securities, or other obligations or prohibitions are imposed on insurance companies of this State doing business in such State, territory or nation, or upon their agents therein, the same obligations and prohibitions, of whatever kind, shall be imposed upon all insurance companies of such other State or nation, doing business in this State, and upon their agents."

**REINSURANCE**—Sec. 5439. "No fire insurance company or association authorized to do business in this State shall reinsure, dispose of, cede, pool, divide, or in any manner or form whatsoever, reduce a portion of its risk or liability, covering property located wholly or partially in this State, in or with a company, association, person or persons, incorporated or otherwise, not authorized by law to do the business of fire insurance in this State, or to reinsure, or assume as a reinsuring company or otherwise, in any manner or form whatsoever, the whole or part of a risk or liability, covering property wholly or partially located in this State, of or for an insurance company, association, person or persons, incorporated or otherwise, not authorized by law to do the business of fire insurance in this State." Sec. 5440. "The Superintendent of Insurance of this State annually, and at such times as he may see fit, shall require the president or other chief officer of each company or association, to file a statement under oath, showing the names of each fire insurance company, or association, with whom or for whom liability for insurance on property located wholly or partially in this State has been reinsured, disposed of, ceded, pooled, divided, or in any manner or form whatsoever reduced or increased." Sec. 9555 permits any company, with the consent of the Superintendent of Insurance, to reinsure all of its risks in any other company authorized by law to transact business in this State.

**REINSURANCE RESERVE**—Fifty per cent of the whole amount of premiums on unexpired risks and policies running one year or less from date of policy, and a pro rata amount of all premiums on unexpired risks and policies running more than one year from date of policy. (Full premiums on unexpired ocean marine risks).

**RESIDENT AGENTS**—Sec. 5438, amended 1917. "An insurance company or agent legally authorized to transact insurance business in this State shall not write, place or cause to be written or placed, a policy, renewal of policy, or contract for insurance upon property situated or located in this State, except through a legally authorized agent in this State, who shall countersign all policies so issued and enter the payment of the premium upon his record. The writing, renewal, placing or causing to be written or placed of a policy of insurance in any other manner or form, is a violation of the law providing for the payment of

taxes by foreign insurance companies doing business in the State of Ohio, as set out and provided in this chapter. \* \* \* Provided, that any authorized agent of an insurance company duly authorized to transact business in this State may procure the insurance of risks or parts of in other like companies duly authorized to transact business in this State, and may pay a commission thereon to such agent. But such insurance shall be consummated through a duly licensed resident agent only of the company taking the risk. Provided further, that any authorized agent of an insurance company duly authorized to transact business in this State may accept business from such insurance brokers only as duly authorized and licensed as provided in Sec. 644-2, and such agent may pay a commission thereon to such broker." Penalty for violation, revocation of license for ninety days, and until all taxes, penalties and expenses have been paid, and the company made complete recompliance with the law.

**SEMI-ANNUAL STATEMENTS**—None required.

**STANDARD POLICY**—Ohio has no standard policy form.

**TAXES**—The Superintendent of Insurance shall, in the month of November, annually, collect from each non-Ohio company an amount equal to two and one-half per cent of the balance of gross premiums of such company, after deducting return premiums paid for cancellations and considerations received from other companies for reinsurance in Ohio, as shown by its next preceding annual statement. Also a law of 1915 provides for levying of a tax of one-half of one per cent on the gross amount of premiums, after deducting return premiums and reinsurances received, for the support of the office of State Fire Marshal. Reciprocal provision. Penalty for default in payment of taxes after a statement thereof has been made and mailed to such company, suspension of authority. Sec. 5436 provides that: "If the laws of another State, Territory or nation authorize charges for the privilege of doing business therein, or taxes against any insurance companies organized in this State, exceeding the charges provided in this chapter, like amounts shall be charged against all insurance companies of such State, Territory or nation, doing business in this State, instead of the charges herein provided." See "Reciprocal Law."

**TAX STATEMENTS**—Other State and foreign companies are required in their annual statements to set forth the gross amount of premiums received in Ohio during the preceding calendar year without deductions for commissions, return premiums, or considerations paid for reinsurance or any deductions whatever; and shall also therein set forth in separate items return premiums paid for cancellations and also considerations received from other companies for reinsurances in Ohio during such year. Penalty for making false statement or refusing to pay tax, revocation of license.

**VALUED POLICY**—Sec. 9527. "A person, company or association insuring any building or structure against loss or damage by fire or lightning, by a renewal of a policy, shall cause such building or structure to be exam-



ined by his or its agent, and a full description thereof to be made, and its insurable value fixed by him. In the absence of any change increasing the risk without the consent of the insurers, and also of intentional fraud on the part of the insured, in case of total loss, the whole amount mentioned in the policy or renewal upon which the insurers receive a premium, and in case of a partial loss the full amount thereof shall be paid." Sec. 9584. "When there are two or more policies upon the same property, each policy shall contribute to the payment of the whole or the partial loss in proportion to the amount of insurance mentioned in each policy. In no case shall the insurer be required to pay more than the amount mentioned in its policy."

### COUNTY TAXES AND FEES.

None.

### MUNICIPAL TAXES AND FEES.

None.

CINCINNATI—Salvage Corps assessment, <sup>2 1/2</sup>~~1 3/4~~ per cent. *see bill*

On or before		CALENDAR—OHIO
Jan.	I	Fee payable in connection for forwarding coupons on bonds deposited.
	31	Annual statement must be filed. Foreign companies' home office statements are required.
March	I	Agents' licenses must be obtained. Company license must be obtained. File license with recorder in each county in which company has an agency.
Oct.	I	Statement and license of other than domestic companies must be published in every county where company has an agency.
Nov.	30	Fire marshal tax is payable. Premium tax is payable by other than domestic companies.

# OKLAHOMA.\*

## STATE REQUIREMENTS.

**AGENTS DEFINED**—Sec. 3431. "Any person who for compensation solicits insurance on behalf of any insurance company, or transmits for a person other than himself an application for a policy of insurance to or from such company, or offers or assumes to act in the negotiating of such insurance, shall be an insurance agent within the intent of this article, and shall thereby become liable to all the duties, requirements, liabilities and penalties to which an agent of such company is subject." Law of 1915 divides agents into three classes—special, policy-writing and soliciting, Sec. 3462. "Any person who shall solicit and procure an application for insurance shall, in all matters relating to such application for insurance, and the policy issued in consequence thereof, be regarded as the agent of the company issuing the policy and not the agent of the insured, and all provisions in the application and policy to the contrary are void and of no effect whatever."

**AGENTS' LICENSES**—Each individual agent must procure a license, which expires last day of April, annually. Applications for licenses, including fees, must be made to the State Insurance Board by company or special agent, accompanying written notice of appointment of agent. Penalty for acting as agent without a license, fine of \$100 to \$500 for each policy written. The State Insurance Board investigates every agent filing an application. No licenses to be canceled unless written charges are presented to the Board. Violation of this law as to the exclusion of domestic companies from their office shall render the company's representative liable to fine, not exceeding \$1000 and the company subject to a fine not exceeding \$1000. Agent is liable on policies written for unauthorized companies. Sec. 3463. "No corporation or stock company shall act or be licensed to act as an agent or representative of any insurance company or association in soliciting, selling, delivering, writing or in any manner placing, or causing to be placed, any insurance policy or contract in this State."

**ANNUAL STATEMENTS**—Must be filed with Insurance Commissioner, by stock companies, on or before last day of February, annually, showing condition as of December 31 last preceding. Penalty for failure to file statement or answer inquiries, \$500. Commissioner may extend time for good cause. Reciprocals and mutual companies file statements with State Insurance Board, and pay Board fees of \$20 and \$25, respectively. The Corporation Commission requires a complete list of stockholders to be filed and renewed annually only as to any change therein. Classification of business requested annually.

**ANTI-COINSURANCE**—No statute prohibiting use of coinsurance clauses.

**ANTI-COMPACT**—An anti-trust law was enacted in 1908, which may be

\* Sectional numbers are the same as the Harris-Day Code of Laws.

construed as prohibiting co-operation between insurance companies and agents.

**ANTI-DISCRIMINATION**—Secs. 8 and 9 of Chap. 174. Law of 1915 forbids rebating and discrimination in rates between risks of essentially equal hazard, domestic mutual companies excepted.

**ATTORNEY**—Sec. 3425. The Insurance Commissioner must be authorized and appointed the true and lawful attorney upon whom all lawful process in any action or legal proceeding against the company may be served. The State Insurance Board must be appointed attorney for a foreign mutual company or reciprocal exchange or inter-insurer. Fee for filing power of attorney, \$3.

**CANCELLATION OF POLICY**—Sec. 3443. "Any policy issued by (stock) companies authorized to do business in this State may be canceled at any time at the request of the insured; or by the company by giving five days' notice of such cancellation. If the policy shall be canceled as hereinbefore provided, or become void or cease, the premium having been actually paid, the unearned portion shall be returned on surrender of the policy or last renewal, the company retaining the customary short rate; except that when the policy is canceled by the company by giving notice, it shall retain only the pro rata premiums."

**CAPITAL REQUIRED**—Company must possess at least \$100,000 of paid-up or guaranty capital or surplus invested in such securities as domestic companies are allowed to invest in.

**COMMISSIONS TO NON-RESIDENTS**—All commissions are required to be paid to a resident agent. An act of 1917 permits policy-writing agents of insurance companies licensed to transact business in the State to divide their commissions with non-resident licensed insurance agents and brokers.

**DEPOSIT**—None required. Foreign company must have \$200,000 on deposit in some State for the benefit of United States policyholders.

**DOMESTIC COMPANIES**—Sec. 3404. "Ten or more persons may form a corporation for the purpose of making any of the following kinds of insurance, to wit: (1) Against loss or damage to property by fire, hail, lightning, or tempest on land, or explosion of natural gas. (2) Upon vessels, freights, goods, moneys, effects, bottomry and respondentia interests, and every insurance appertaining to or connected with marine and inland risks of transportation and navigation." The incorporators shall file in the office of the Insurance Commissioner a certificate of organization, signed and sworn to by the president, secretary, and a majority of the directors, stating their intention to form a corporation and setting forth the name of the company, its location, the kind or kinds of insurance to be transacted, whether the company is to be stock or mutual, and, if stock the amount of capital, and the period limited for the duration of the company; also any other particulars necessary to make manifest

the purposes of the corporation. Domestic company must have at least \$50,000 of capital, guaranty capital, or surplus.

**EXAMINATIONS**—Domestic companies must be examined at least once in each three years or upon the request of five or more persons pecuniarily interested therein who charge that the company is in unsound condition. Outside companies may be examined at the discretion of the Insurance Commissioner. Companies examined must bear the expenses of such examination. If a domestic company is found to be unsound or its condition or management is such as to render its further proceeding hazardous to the public, its policyholders or its creditors, the Commissioner shall apply through the Attorney General for an injunction to restrain it from transacting further business. If any outside company is found to be in a similar condition the Commissioner shall revoke or suspend all certificates of authority granted to it or its agents and shall cause notification thereof to be published in newspapers of general circulation, and the company shall transact no new business until its authority is restored by the Commissioner. If, however, the ground for revocation or suspension relates to some matter other than the financial condition or soundness of the company or a deficiency in its assets, he shall notify the company not less than ten days before revoking its authority to do business, and shall specify the particulars of the supposed violation.

**FEES**—For filing the declaration or the certified copy of charter herein required, \$30; for filing annual statement, reciprocal; domestic mutual farm companies, \$5; for each certificate of authority to each agent of companies not incorporated under the laws of this State, \$3; for each certificate to each agent of domestic companies, 50 cents; for each copy of paper on file, per folio, 20 cents; affixing seal, \$1; appointment of attorney for service, \$3; reciprocals and mutuals, \$2; for examinations, expenses thereof; for service of process, \$3; for appraisal of property for each mortgage deposited, \$5; foreign fire insurance companies, \$100; to be paid annually. Fees are collected by Insurance Commissioner and paid to the State Treasurer, except that State Insurance Board issues agents' licenses, reciprocal exchanges and foreign mutuals' licenses, and collects fees for same, reciprocal and inter-insurance exchange, \$20; mutual companies, \$25. Insurance Commissioner issues license to all stock companies and domestic mutuals. State Insurance Board issues licenses to local agents and to reciprocal and inter-insurance associations and foreign mutual companies.

**FIRE DEPARTMENT TAX**—This tax is included in and a part of the two per cent State tax (one per cent or one-half of State Tax). Towns having fire departments with at least \$1,000 worth of apparatus file certificates with Insurance Commissioner, and insurance companies return with annual statement lists of net premiums in such towns.

**FIRE MARSHAL**—Provision is made for a State Fire Marshal to investigate fires, etc.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—Sec. 3425.

"\* \* \* The annual statement of a company of a foreign country shall embrace only its business and condition in the United States, and shall be subscribed and sworn to by its resident manager or principal representative in charge of its American business."

**GENERAL PENALTY**—In cases where no specific penalty is prescribed, a violation of or non-compliance with law is punishable by a fine of \$50 to \$500. Sec. 3478. "For any violation of the State Insurance Board Act of 1915 by any company, firm or individual its license may be revoked and is liable to a fine of not less than \$50 and not more than \$300 or by imprisonment in the county jail not exceeding six months, or both."

**IMPAIRMENT**—When a domestic company's capital is found to be impaired, the Insurance Commissioner shall notify the company to make good the deficiency within ninety days, and if such deficiency is not repaired or the capital reduced as provided by law, he shall institute proceedings against the company. If the capital of an outside company is found to be impaired its authority to do business must be revoked. See "Examinations."

**INVESTMENTS PRESCRIBED**—A domestic company shall invest 75 per cent of its assets in public funds of the United States or the District of Columbia, or of any State or Territory of the United States; bonds or notes of any county, city, town, school or water district in Oklahoma or of any other State of the United States; mortgage bonds of railroad corporations (under certain restrictions); loans upon improved and unencumbered real property in any State, not exceeding 50 per cent of market value; loans upon collateral securities not exceeding 90 percent of market value thereof; and such domestic companies doing business in other States or in foreign countries may invest funds required to meet obligations incurred therein in conformity to the laws thereof in the kind of securities that such corporation is allowed to invest in in that State. The remaining 25 percent of its assets may be invested in such classes of securities, not prohibited by law, as may be approved by the Insurance Commissioner. Real estate requisite for the convenient accommodation of the company's business may be held, and such other real estate as is taken in payment of debts, etc., may be held not exceeding five years (the Insurance Commissioner may extend the time for good cause). Sec. 3444.

Sec. 3441. "No domestic insurance company shall invest any of its funds in any unincorporated business or enterprise nor in the stocks or evidence of indebtedness of any corporation, the owners or holders of which stock or evidence of indebtedness may in any event be or become liable on account thereof to any assessment except for taxes, nor shall any such insurance company invest any of its funds in nor loan upon its own stock or in or upon the stock of any other insurance company, nor shall the stock of any such company be sold to, owned or controlled by any other corporation. No such company shall invest in, acquire or hold directly or indirectly, more than ten per centum of the capital stock of any corporation, nor shall more than ten per centum of its surplus be invested

in or loaned upon the stock of any one corporation. No such company shall subscribe to or participate in any underwriting of the purchase or sale of securities or property, or enter into any transaction for such purchase or sale on account of said company jointly with any other person, firm or corporation; nor shall any such corporation enter into any agreement to withhold from sale any of its property but the disposition of its property shall be at all times within the control of its board of directors."

**LICENSED BROKERS**—No provision.

**LIMIT ON A SINGLE RISK**—Ten per cent of capital stock and surplus.

For inter-insurance associations, 10 percent of premium income at time of writing the risk.

**LLOYDS**—No provision. See "Reciprocal Insurance."

**MISCELLANEOUS**—Company licenses expire last day of February. Art. 2, Chap. 38, Harris-Day Code, Sec. 3479. "No insurance company shall, knowingly, issue any fire insurance policy upon property within this State for an amount which, with any existing insurance thereon, exceeds the fair value of the property, nor for a longer term than five years." A company may not have more than one policy-writing agent in a city or town. Every policy must be headed by the corporate title of the company, although it will be permissible to stamp or print in smaller type on the bottom of the filing back the name or names of the department or general agency issuing the same. A company licensed in Oklahoma is held to be domiciled in that State (Sec. 4665) and its license shall be revoked if it shall claim or declare in writing before any law or court of equity in Oklahoma domicile within another State or foreign country. Fire companies may write "automobile theft, property damage, collision, explosion, sprinkler leakage, water damage, parcel post and hail" insurance, if authority for so doing is included in their charter.

**MUTUAL COMPANIES**—A domestic company may be organized by not less than twenty persons to insure dwellings, barns, country school houses, churches and contents and live stock against loss by fire, lightning, windstorms. The following conditions are laid down: There must be applications for at least 200 risks aggregating at least \$500,000; the maximum amount of any single risks, less reinsurance, shall not exceed three times the average risks, or one per cent of insurance applied for, whichever is greater; a cash premium must be collected on applications and the total assets must be twice the maximum single risks nor less than \$10,000; the maximum single risk shall not exceed twenty per cent of its admitted assets or one per cent of the insurance in force, deduction for reinsurance being permitted. Mutual companies organized in other States are permitted to obtain a license. According to a ruling of the Attorney-General, annual statements must be filed yearly before the last day of February. Secs. 3506 and 3532. Provision is also made for farm mutuals to operate in not more than three counties, and for mutual automobile insurance companies.

**PRELIMINARY DOCUMENTS**—Company must file with the Commissioner a copy of its charter and a verified statement of its condition, and obtain certificate to do business. See also "Domestic Companies." Certificate of compliance with laws of company's home State required annually.

**PUBLICATION**—None required. Any advertisement showing assets must show liabilities with equal conspicuousness.

**RATING SCHEDULES TO BE FILED**—By a law, effective March, 1915, a State Insurance Board, consisting of the Insurance Commissioner, the Fire Marshal and a secretary, appointees of the Governor, was created. This State Board has authority over fire, tornado, plate glass and legal liability rates and rating bureaus and the granting and revoking of insurance agents' licenses. It decrees that every fire and tornado insurance company shall file with the Board a schedule showing its rates and any condition or privilege affecting such rates. No changes in these rates can be made without a written notice to the Board, which must then receive its approval. The Board shall also order the lowering or raising of a rate as it deems necessary. No insurance company may transact business within the State without filing this schedule, nor shall it remit or refund any of or part of the rates so set forth, nor may any discriminatory privileges be extended to anyone. A company effecting insurance upon which no rate has been filed must file within thirty days an account of the transaction with the Insurance Board. All schedules and insurance rates so filed will be open to inspection of the public. The State Insurance Board shall make no regulation without giving the interested companies or municipalities reasonable notice thereof, and they may petition the Supreme Court if the regulation seems unjust.

**RECIPROCAL INSURANCE**—According to a law of 1915, all contracts to be executed by an attorney authorized and acting for the subscribers. He shall file with the State Insurance Board a declaration setting forth the title, which shall not be a duplicate or deceptive and which shall be classified as reciprocal or inter-insurance exchange; the kinds of insurance to be effected; a copy of form of the policy or contract; a copy of the power of attorney, and the location of the offices. Applications must be had upon at least 100 separate risks aggregating not less than \$1,500,000. There must be \$25,000 deposited with the attorney available for payment of losses. The State Insurance Board must be made attorney upon whom process may be served. A cash deposit must be maintained equal to fifty per cent of the aggregate net annual deposits collected in one year under policies and pro rata on longer-term policies; annual reports must be filed and the exchange subject at all times to examination by State Insurance Board. Violations are misdemeanors and offenders are liable to a fine of from \$100 to \$1000. Certificate of authority must be procured annually. Agents', solicitors', or inspectors' annual license fee, \$3; for filing original service of process, \$3. Sec. 17. "Such attorney shall pay as a fee for the issuance of the cer-

tificate of authority therein provided for the sum of \$20, which, together with the fees provided for in the previous sections, shall be in lieu of all license fees and taxes of whatever character in this State."

**RECIPROCAL LAW**—Sec. 3435. "Whenever the existing or future laws of any other State of the United States require of insurance companies incorporated by or organized under the laws of this State, and having agencies in such other States, or the agents thereof, any deposit of securities in such State for the protection of policyholders, or impose any other requirements, provisions, restrictions, prohibitions, examinations or conditions greater than required for similar purposes from similar companies of other States by the then existing laws of this State, then and in every such case all companies of such States established or having heretofore established an agency or agencies in this State, shall be and are hereby required to make the same deposit and comply with such provisions, restrictions, prohibitions, examinations and conditions for like purpose in this State and pay to the Insurance Commissioner of this State the taxes, fines, penalties, license fees, or otherwise an amount equal to the amount of such charges and payments imposed by the laws of such State upon the companies of this State and the agents thereof."

**REINSURANCE**—The Law of 1915, Sec. 13, prohibits any authorized company from reinsuring or entering into any contract to indemnify any unauthorized company on property located within the State. All reinsurances must be reported. In the form of "Agreement and Application for License" for reciprocal exchanges and mutual companies is included an agreement "not to reinsure any business written in the State of Oklahoma in a company not approved and having the Insurance Commissioner appointed attorney for service."

**REINSURANCE RESERVE**—On New York basis.

**RESIDENT AGENTS**—An Act of 1915, Sec. 12. "No policy of insurance shall be issued or delivered in this State by any foreign insurance company licensed to transact business in this State except through an agent who shall be a resident of this State and holds a certificate of authority for the kind of insurance affected by such policy and which shall not be divided with any non-resident. [Modified by law of 1917. See "Commissions to Non-Residents."] Provided, that upon every policy of insurance covering property in this State issued by any foreign insurance company not licensed to transact business in this State the party, firm, association or corporation to whom such policy is delivered or in whose favor it is issued shall pay tax on the premium therefor." Marine and inland transportation policies are not required to be countersigned by a resident agent.

**SEMI-ANNUAL STATEMENTS**—None required.

**STANDARD POLICY**—The standard policy prescribed by the law of March 25, 1909, is the old form of New York State. A short or different form



of policy may be used for farm or dwelling-house property, or for tornado insurance if approved by the State Insurance Board. (Chapter 174, page 172, Insurance Code.)

**TAXES**—Sec. 3426. "Every foreign insurance company doing business in this State under the provisions of this Act shall, annually, on or before the last day of February, report under oath of the President or Secretary or other chief officer of such company to the Insurance Commissioner, the total amount of gross premiums received in this State within the twelve months next preceding the first of January, or since the last return of such premiums were made by such company; and shall, at the same time, pay to the Insurance Commissioner an entrance fee as provided by Article XIX of the Constitution of the State of Oklahoma, and an annual tax of two per centum on all premiums collected in this State, after all cancellations and dividends to policy holders are deducted and an annual tax of three dollars on each local agent, and such other fees as may be paid to said Insurance Commissioner, which taxes shall be in lieu of all other taxes or fees and the taxes and fees of any subdivision or municipality of the State. Any company failing to make such returns and payments promptly and correctly shall forfeit and pay to the Insurance Commissioner, in addition to the amount of said taxes, the sum of five hundred dollars; and the company so failing or neglecting for sixty days shall thereafter be debarred from transacting any business of insurance in this State, until said taxes and penalties are fully paid, and the Insurance Commissioner shall revoke the certificate of authority granted to the agent, or agents of that company to transact business in this State." See "Reciprocal Law." No credit is allowed for reinsurances in unauthorized companies. A tax of one-fourth of one per cent on gross premium receipts is levied to defray the expenses of the State Fire Marshal's office, payable in February to the Insurance Commissioner. (An opinion of the Attorney-General suggested certain deductions from gross premiums, and the Insurance Department construed same to mean net premiums.) Propertyowners must pay State Auditor two per cent on amount of premiums paid to unlicensed companies.

**TAX STATEMENTS**—Must be filed with Insurance Commissioner on or before last day of February, under penalty of \$500.

**VALUED POLICY**—Chapter 53, Laws of 1893, Sec. 3807, which was practically a valued policy provision, is excluded from the Harris-Day Code, approved by the 1915 Legislature.

### COUNTY TAXES AND FEES.

None.

### MUNICIPAL TAXES AND FEES.

The Attorney-General has ruled that occupation taxes levied by towns do not apply to foreign companies, but only to domestic companies.)

**ARDMORE**—For each agent, \$25 per annum.

DUNCAN—For each company, \$10, payable May 1.

HENNESSEY—For each company, \$5, payable January 1.

IDABEL—For each agent, \$10, payable April 1.

WYNNEWOOD—For each agency, \$5, payable May 1.

### CALENDAR—OKLAHOMA

On or before

- |          |  |
|----------|--|
| Feb. 28  | Annual statement must be filed. Fire department tax, included in State tax, is payable. Certificate of compliance must be filed. Tax statement must be filed. Premium tax must be paid. Fire marshal tax must be paid. |
| March 1  | Company license must be secured and fee paid.  |
| April 30 | Special and local agents' licenses must be secured.  |

# OREGON.\*

## STATE REQUIREMENTS.

**ADJUSTERS' LICENSES**—Sec. 6. Each person acting as an adjuster for the insurer or insured shall on or before April 1 of each year procure a license (expiring March 31) from the Insurance Commissioner permitting him to adjust such claims for or against companies authorized to transact business in the State. He shall also procure a separate license for each loss adjusted by him under policy or policies issued by companies not authorized to transact business in this State, except that a licensed agent or special agent or other salaried employee of an authorized company may adjust and settle losses for the company without procuring an adjuster's license. License fee, \$25.

**AGENTS DEFINED**—Sec. 4a. Whenever and wherever the word "agent" is used in the law, it shall apply to and include every person, firm or corporation who shall hold a certificate issued by the Insurance Commissioner by virtue of which certificate such person, firm or corporation shall seek to transact and carry on business within the State of Oregon. Any person who solicits insurance, receives an application or order to write a policy or collect any premium, or attempts as a middleman to solicit insurance, shall be deemed an insurance agent. Any agent who accepts insurance from a middleman and pays any commission to said middleman, shall be held responsible for said middleman. Any agent who fails to notify a policyholder that his insurance has been placed in an unauthorized company shall himself be held personally responsible.

**AGENTS' LICENSES**—Sec. 22c (4). "Every insurance company licensed to transact a fire insurance business in this State and lawfully doing such business therein, may, in respect thereof, establish agencies in this State, to consist of but one agent for each city, town or village in the State to represent the title registered, and additional agencies as hereinafter provided, and the name of every agent appointed in accordance with the provisions of this section shall be filed with the Insurance Commissioner immediately upon the making of such appointment by any such company. The Insurance Commissioner shall thereupon issue to each such agent who is qualified as provided in this act a certificate setting forth that such agent is entitled to act for the company appointing him for the balance of the current year ending March 31 following the date of such appointment. Every such agent now representing any such company, or who may hereafter be appointed to represent any such company, provided such agent is qualified as provided in this act, shall be relicensed during the month of March in each year for the

\* Section numbers are from compilation of 1917.

ensuing year upon proper application to the Insurance Commissioner by the company appointing him. The fee fixed for issuing such certificate shall be \$2.00 and shall be paid to the Insurance Commissioner; provided, that the certificate issued to an established agency of any company in any city, town or village in the State may be transferred to any agent or agency by the Insurance Commissioner upon proper application of any such company, without exacting further fees." (Law of 1917 provides that licenses expiring on December 31, 1917, may be extended to April 1.) Sec. 22-c (7). "Any such insurance company which has qualified to transact a fire insurance business in this State and is lawfully doing such business therein may appoint one additional agent to represent such company transacting business in its own corporate name in any city of this State having a population of 50,000 or more inhabitants according to the last Federal census." (8) "Any such insurance company may appoint an additional agent or agents to transact business in its own corporate name, or additional title, in any city of this State on application to the Insurance Commissioner and the payment of an annual license fee of \$500 for each such agent." Penalty for acting without license, fine of \$50 or imprisonment for fifteen days.

**ANNUAL STATEMENTS**—Must be filed on or before March 1, and must be sworn to by an executive officer of the company or manager of department, from records of which such statement is compiled. Person making false sworn statement is guilty of perjury and may be imprisoned for from one to three years. Penalty for making false entries on books or papers, imprisonment for from one to three years. These statements and tax statements are only ones required annually.

**ANTI-COINSURANCE**—No law prohibiting use of coinsurance clauses.

**ANTI-COMPACT**—Sec. 18. "It shall be unlawful for any insurance company authorized to transact business in this State, or any manager or any agent or representative thereof, to, either within or outside of this State, directly or indirectly, enter into any contract, understanding or combination, with any other insurance company, or any manager, or any agent or representative thereof, or to jointly or severally do any act or engage in any practice or practices for the purpose of controlling the rate to be charged, or commissions or other compensations to be paid, for insuring any risk or class or classes of risks, in this State, or for the purpose of discriminating against or differentiating from any company, manager or agent, by reason of its or his plan or method of transacting business or its or his affiliation or non-affiliation with any board or association of insurance companies, managers, agents or representatives, or for any purpose detrimental to free competition in the business or injurious to the insuring public. Whenever the Commissioner shall have knowledge of any violation of this section, he shall forthwith order such offending company, manager, agent or representative to immediately discontinue such practice or show cause to the satis-

faction of the Commissioner why such order should not be complied with. Within thirty days from the receipt of such order, and upon a failure to comply with such order, the Commissioner shall forthwith revoke the license of such offending company or agent, and no renewal of the license so revoked shall be granted within three years from the date of the revocation."

**ANTI-REBATE—Sec. 19.** Every insurance policy shall bear on its face the amount of premium paid or to be paid, and no insurance company or the officers thereof, and no insurance agent shall personally or otherwise promise, allow, give, set off or pay directly or indirectly any rebate of or part of the premiums payable on the policy or in any policy or on the agent's commission thereon or earnings, profits, dividends, or other benefits as an inducement to secure insurance. Any offer or promise of any kind to return any part of the premium or part of the commission will be construed as a rebate and subject the agent to a revocation of his license. It shall be unlawful for the policyholder to accept any part of the agent's commission, either directly or indirectly or to receive any rebate of premium or part thereof or to share in the dividends or other benefits to accrue thereon or any other valuable consideration or inducement not specified in the policy of insurance. The amount of insurance whereon anyone insured has received or accepted directly or indirectly any such rebate, favor, advantage, benefit or consideration, shall be reduced in such proportion as the value of such rebate, favor, advantage or benefit or other consideration bears to the total premium on such policy and the insured, in addition to having the insurance reduced, shall be guilty of a misdemeanor and upon conviction shall be sentenced to pay a fine of not more than one hundred dollars for each and every violation. No person shall act as the agent for any insurance company for the purpose of writing his own personal insurance to secure the commission upon the premium. All agents writing their own personal insurance must show that they have shown good faith and written insurance on other property not wholly within their control. See "Rating Bureau."

**ATTORNEY—Sec. 3a.** Every foreign or alien insurance company must appoint some resident of the State and a citizen of the United States as attorney-in-fact to receive and accept service upon all writs, processes and summons.

**CANCELLATION OF POLICY—**Provided for in standard policy form.

**CAPITAL REQUIRED—**Company of another State must have an unimpaired cash capital of at least \$200,000, and a net surplus of not less than \$100,000; domestic company, \$100,000 capital and \$50,000 surplus. Penalty for advertising capital greater than amount paid up, fine of \$500.

**COMMISSIONS TO NON-RESIDENTS—**All policies shall be placed with an authorized agent residing and doing business in the State to whom all premiums and commissions must be paid.

**DEPOSIT—Sec. 22b.** "Every foreign and alien corporation or company, be-

fore engaging in the business of fire insurance, directly or indirectly, or assuming any such fire insurance risk within this State, shall deposit with the Insurance Commissioner \$25,000 in approved securities to be held in trust, or in lieu of such securities, a corporate surety bond of the same amount payable to the State of Oregon, such deposit or bond to be held and conditioned upon the faithful performance by such company of all contracts and other requirements within the State; such bond to be executed by an entered or domestic surety company and approved by the Insurance Commissioner."

**DOMESTIC COMPANIES**—Sec. 21a provides that 10 or more residents of the State may incorporate a company by filing articles with the Insurance Commissioner and publishing notice of intention, etc.

**EXAMINATIONS**—Sec. 16. "The Insurance Commissioner shall, whenever he deems it advisable in the interest of the policyholders or for the public good, examine into the affairs of any insurance company doing business in this State, and into the affairs of any company organized under any law of this State or having an office or representative in this State, which company is engaged in or is claiming or advertising that it is engaged in organizing or receiving subscriptions for or disposing of stock of, or in any manner aiding or taking part in the formation or business of an insurance company or companies or which is holding capital stock of one or more insurance companies for the purpose of controlling the management thereof as voting trustee or otherwise. \* \* \* Any company or association organized under the laws of any other State or country and doing business in Oregon shall pay the just and legitimate expenses, including railroad fare and traveling expenses; and the Commissioner shall revoke or refuse his certificate of authority to any company neglecting or refusing to pay such expenses, or neglecting or refusing to furnish any information to said Commissioner. It shall be the duty of the Insurance Commissioner to examine every domestic insurance company at least once in three years. The expense of any examination, which under the law is to be paid by the State of Oregon, shall be paid in the same manner as other services and expenses of the Department of Insurance are paid."

**FEES**—Certificate to each agent, \$2; annual license, \$150; filing power of attorney, \$2.50; issuing certificate of authority, \$5; annual license mutual company, domestic, \$10; foreign, \$50; filing title, \$5; filing annual statement of Oregon business, \$5; for certificate of authority to attorney of inter-insurers, \$50; for each additional agent beyond one in any city, or beyond two in cities of 50,000 or over, \$500; for examination, "just and legitimate expense." Except in cases indicated, fees are payable to Insurance Commissioner.

**FIRE DEPARTMENT TAX**—No provision.

**FIRE MARSHAL**—Provision is made for special investigation of fires.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—None required.

**GENERAL PENALTY**—Penalty for any violation of law for which the law prescribes no specific penalty, not exceeding \$100.

**IMPAIRMENT**—Any impairment of capital will be followed by revocation or refusal of license.

**INVESTMENTS PRESCRIBED**—Sec. 21g. Domestic company may invest in State, District of Columbia or United States bonds, bonds or notes secured by first mortgage upon first-class, otherwise improved, unincumbered real estate the market value of which shall be at least double the amount invested in or loaned thereon, bonds of a city, county, school district, or incorporated district in this State, which has not defaulted on interest within three years; but such corporation shall not hold or convey real estate, excepting for the purposes and in the manner herein set forth, to wit: such as shall be necessary for its convenient accommodation in the transaction of its business, or such as may have been conveyed or mortgaged to it in good faith by way of security for loans, or for debts or money due in its legitimate business, or such as have been purchased at sales upon judgments or mortgages obtained or made for such debts. Loans to stockholders will not be admitted as assets of a domestic company.

**LIMIT ON A SINGLE RISK**—Domestic mutual companies, \$2000 net; \$3000 when risks amount to \$1,000,000, and \$500 for each additional \$500,000 of insurance in force thereafter until limit of \$5000 is reached. Special class companies having \$1,000,000 of risks in force may write double foregoing limits.

**LLOYDS**—Sec. 22m provides for the licensing of Lloyds associations having \$100,000 of assets and 25 underwriters worth \$20,000 each. See "Reciprocal Insurance."

**MISCELLANEOUS**—A company on entering the State shall register the title under which it proposes to do business; but it may also register one additional "title," in the same manner as provided for the filing of corporate title, and operate thereunder. All policies must state on their face the amount and the rate of the premium in money. By a ruling of June 15, 1915, the Insurance Commissioner permits the transaction of hail insurance by fire insurance companies on notification to the Department by the companies. Overinsurance is expressly prohibited. Companies may file one additional title and may issue policies under that title by paying same fees and making same reports as parent company.

**MUTUAL COMPANIES**—Sec. 23. Mutual companies may be formed to conduct a general fire insurance business or to insure only one class or one or more special kinds of property against damage by fire, lightning, hail or tornado. No policy shall be issued until not less than \$300,000 of insurance in not less than 300 separate risks of not more than \$1000 each have been subscribed for, and a contingent fund subject to assessment

in addition to advance assessments of the same amount collected, amounting to not less than \$5000 each. Such a company shall have from five to nine directors, and shall use the standard form of policy with certain modifications. The by-laws shall provide for the creation of a reserve fund. Other State mutual companies may be admitted if possessed of at least \$200,000 of assets, of which not less than \$100,000 shall be net surplus above all liabilities including reserve and unearned premium liability.

**PRELIMINARY DOCUMENTS**—Company must file with the Insurance Commissioner a certified copy of its charter, articles of incorporation, or of settlement, a statement of its financial condition and business in the United States in such form and detail as the Commissioner may require, said statement to be signed and sworn to by at least two of the executive officers or the United States manager. See "Miscellaneous." Certificate of compliance with laws of company's home State not required annually. Application for certificate, Insurance Department certificate of capital, power of attorney and appointment of resident general agent and copy of charter or articles of incorporation, are required but once, unless there is a change in the attorney or agent.

**PUBLICATION**—Sec. 3. "\* \* \* Immediately upon filing the annual statements with the Insurance Commissioner, every insurance company transacting fire, fire and marine, \* \* \* insurance, \* \* \* doing business in the State of Oregon, shall publish once each year in two newspapers of general circulation, and published in the State west of the Cascade Range of Mountains, and in two newspapers of general circulation and published in the State east of the Cascade Range of Mountains, a full synopsis of its general annual financial statement showing the condition of its business and setting forth its resources and liabilities."

**RATING BUREAU**—Sec. 22d. Insurance law permits any person, persons, copartnerships, companies or insurers, resident within this State to organize a rating bureau. Any bureau so organized may inspect and survey property in various municipalities to ascertain the fire hazards and the means and facilities for preventing and extinguishing fires; thereby gaining information to properly estimate and promulgate fair and equitable rates. Such information secured may be furnished to municipalities, owners of property, insurance companies or agents. All such bureaus organized must maintain an office at some location in Oregon and shall be conducted without profit, but may charge a reasonable compensation for services. The services of such rating bureau shall be available, equally and ratably in proportion to the service rendered, to any and all insurance companies, agents and property-owners. The Insurance Commissioner may address inquiries to any individual, association or bureau. He has authority to review any rate or rates to determine whether the schedule has been properly applied, or any other matters in relation to the organization and operation which may be essential to the welfare of citizens. Insurance companies or rating bureaus estimating rates on insurable property, shall not discrimi-



nate unfairly between risks of essentially the same degree of protection against fire. Every rating bureau must appoint a chief examiner, who shall be held responsible for the examination of all daily reports that pass through the examining bureau. He shall notify each agent and company of any errors in rating and said agent or company shall, within a reasonable time (not to exceed thirty days) make corrections and so notify the chief examiner. Any failure on the part of an agent or a company to make such corrections shall be reported by the chief examiner to the Insurance Commissioner. Each fire insurance company must file with the Insurance Commissioner a schedule of rates. If it is a member of a rating bureau, then it can give notice that it has adopted a schedule of rates of the bureau, giving the name of the bureau, or bureaus it is a member of, and it cannot be a member of more than one rating bureau for the purpose of rating the same classes of risks, nor can it file the rates of any rating bureau unless it is a member thereof. If a company is not a member of a rating bureau it may file its own rates. No rating bureau or insurance company shall deviate from any rates filed until an amended schedule shall be filed in the office of the Insurance Commissioner, and such deviation shall be uniform throughout the territorial classification.

**RECIPROCAL INSURANCE**—Sec. 27. Individuals, partnerships and corporations are authorized to exchange reciprocal or inter-insurance contracts, which may be executed by an attorney. The attorney must file a declaration stating the title; kind or kinds of insurance to be effected; the form of policy to be used; the form of power of attorney; the location; that applications have been made for indemnity upon at least seventy-five separate risks, aggregating not less than \$1,500,000, and that there is on deposit with the attorney not less than \$25,000. The Insurance Commissioner must be appointed attorney to receive service of process. The maximum amount to be written upon a single risk must also be stated. An unearned premium reserve equal to 50 per cent of the aggregate net annual deposits collected and credited to the accounts of subscribers with one year or less to run, and pro rata on those for longer periods, or, in lieu thereof, 100 per cent of the aggregate net unearned deposit collected and credited to the accounts of participating subscribers, must be maintained. Penalty for doing business for an unlicensed association or for soliciting applications for organization without authorization from the Commissioner, fine of \$100 to \$1000. License fee is \$50 per annum and there is a tax of  $2\frac{1}{2}$  percent on gross premiums after deducting amounts returned to subscribers or credited to their accounts for losses, returned premiums and dividends. Unless particularly specified, no other section of the law shall apply to reciprocal or inter-insurance contracts.

**RECIPROCAL LAW**—Sec. 3e. (1) "If, by the laws of any other State, any taxes, fines, penalties, licenses, fees, deposits, or other obligations, or prohibitions, in the aggregate, additional to or in excess of those imposed

by the laws of this State, upon foreign insurance companies and their agents and solicitors, are imposed on insurance companies of this State and their agents doing business in such State, like obligations and prohibitions shall be imposed upon all insurance companies of such State and their agents doing business in this State, so long as such laws remain in force.

(2) Any alien or foreign insurance company, in the application of the provisions of this section, shall be held as of the State in which such company has made the deposit of securities which is held as its deposit capital in the United States. (3) The Insurance Commissioner may remit, for the purpose of equalizing fees between this State and any other State, any portion or all of the fees and charges which he is required to collect; but no discrimination shall be made in favor of one company over another from the same State or country."

**REINSURANCE**—Admitted companies may reinsure, outside of the State, risks in the State, in companies not authorized to do business in the State, but no credit is allowed for reinsurance in unadmitted companies. Reinsurances must be reported annually. See "Resident Agents."

**REINSURANCE RESERVE**—Sec. 16a. "In ascertaining the condition of an insurance company under the provisions of this act, or in any examination made by the Insurance Commissioner \* \* \* there shall be charged \* \* \* a sum equal to the total unearned premiums on the policies in force computed on a pro rata basis. \* \* \*. In determining the amount of such reserve or unearned premium liability, the Insurance Commissioner, his deputy or examiner may formulate such rules as he may deem proper and consistent with the law or he may adopt such rules as are used in other States or approved by the National Convention of Insurance Commissioners."

**RESIDENT AGENTS**—Sec. 4. No company, association, person or persons authorized to transact business or offer indemnity contracts in this State save and except life insurance companies shall make, write, place or cause to be made, written or placed any policy or contract of insurance or indemnity of any kind or character or floating policy covering risks or property liability, undertakings or individuals in the State of Oregon except through their regularly commissioned licensed resident agents, which regularly commissioned licensed resident agents shall countersign all policies so issued and collect the premiums therefor in order that the State may receive the taxes required by law to be paid on those premiums collected for insurance on property or undertakings located in this State. No person shall pay or forward any premiums or applications for insurance or in any manner secure help or aid in the placing of any insurance or effect any contract of insurance in this State with any such insurer which is not authorized to transact its business in this State, except policies issued from the home office of any company organized under the laws of this State and on property in transit or in custody of a common carrier or rolling stock or contracts of insurance, and contracts of reinsur-

ance made by or for an admitted company. At the time of the filing of the annual statement of every such company in the office of the Insurance Commissioner there shall be attached thereto an affidavit of the president, manager or chief executive in the United States, that this section has not been violated.

**SEMI-ANNUAL STATEMENTS**—None required.

**STANDARD POLICY**—A standard form of policy similar to the old New York form, is prescribed by law.

**TAXES**—Before April 1, the Insurance Commissioner must mail statement of the amount of tax charged against a company, which amount such company shall, within fifteen days thereafter, pay to the Insurance Commissioner at his office. The tax is  $2\frac{1}{2}$  per cent upon its net premiums. "Net premiums" are total gross premiums received less return premiums, dividends returned to policyholders in Oregon, losses paid in Oregon and premiums paid for reinsurance to domestic or entered companies of Oregon. Failure to make statement or pay tax is punishable by a fine of \$10 per day for each day's delay beyond the time specified. Commissioner may revoke company's license for such default. Real estate is taxable locally. Fire marshal tax of one-quarter per cent on net agency premiums is payable by April 1 to Insurance Commissioner.

**TAX STATEMENTS**—Must be filed on or before March 1. See "Taxes."

**VALUED POLICY**—Sec. 4626. "That the amount of insurance written in a policy of insurance on all buildings insured after the passage of this act shall be taken and deemed the true value of the property at the time of the loss, and the amount of the loss sustained, and shall be the measure of damage, unless the insurance was procured by the fraud of the insured, or the loss was caused by the criminal act of the insured. It shall be lawful for any insurance company liable to pay losses occasioned by fire to rebuild any structure or building, wholly or partially destroyed, of the same style and materials, and of equal value with the one so wholly or partially destroyed, but they shall make their election so to do within thirty days after notice of loss. In case there is a partial destruction of the property insured, no greater amount shall be collected than the damages sustained."

### COUNTY TAXES AND FEES.

See "Agents' Licenses."

### MUNICIPAL TAXES AND FEES

**SEASIDE**—For each agency, \$10 per annum.

### CALENDAR—OREGON

On or before

March 1      Annual statement must be filed.  
                  Tax statement must be filed.

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Statement must be published immediately following the filing.

Cost of publication (payable to publisher), \$10 to \$25.

March 31

Agents' licenses must be procured.

April 1

Fire marshal tax is payable.

Company license must be obtained.

Premium tax must be paid.

# PENNSYLVANIA.

## STATE REQUIREMENTS.

**AGENTS DEFINED**—Law of June 1, 1911, Sec. 17, as amended in 1913.

"\* \* \* Any person soliciting risks, forwarding premiums or counter-signing or delivering policies shall be deemed to be the agent of the company within the meaning of this section." Sec. 22. "A person not a duly licensed insurance broker who for compensation solicits insurance on behalf of an insurance company, or transmits for a person other than himself an application for or a policy of insurance to or from such company, or offers or assumes to act in the negotiation of such insurance, shall be an insurance agent within the intent of this act, and shall thereby become liable to all the duties, requirements, liabilities and penalties to which an agent of such company is subject." An agent is allowed commission on risks on his own property.

**AGENTS' LICENSES**—Law of June 1, 1911, Sec. 14 (as amended in 1919):

Sec. 14. "Companies to which certificates of authority are issued shall, from time to time, certify to the Insurance Commissioner the names of all agents appointed by them to solicit risks in this Commonwealth. Such agents may be individuals, copartnerships or corporations. No agent shall transact any business until a certificate has been procured from the Commissioner, showing that the company has complied with the requirements of law, and that the person, copartnership or corporation named in said certificate, has been duly appointed as its agent. No license shall be issued to a corporation unless by its charter it is authorized to engage in the insurance or real estate business. When a license is issued to a copartnership or corporation every officer and each director thereof who engages in the business of soliciting insurance, and each member of the copartnership shall be required to have an individual license; but no additional fee shall be exacted for issuing the license to the corporation or copartnership." Licenses expire March 31, annually. Penalty for acting for unauthorized company, fine of \$300 to \$1000 for first offense, and a like fine and imprisonment not exceeding one year for second offense, or either or both at option of court. Agent for unauthorized company is personally liable on all contracts.

**ANNUAL STATEMENTS**—Must be filed on or before March 1, showing condition and business for year ending December 31 preceding. Penalty for non-compliance, \$100 for each day's neglect, and suspension of license on notification by Commissioner. Other State and foreign companies are only required to file these annual statements and "Tax Statements" annually with Insurance Commissioner. Domestic companies also file annually in November (with the Auditor-General) a report of assets and

liabilities, and they also file with the Auditor-General semi-annual statements of premiums received.

**ANTI-COINSURANCE**—No prohibition of use of coinsurance clauses.

**ANTI-COMPACT**—No prohibition of co-operation. See "Rating Bureaus to be Maintained."

**ANTI-REBATE**—Act of July 12, 1913, Sec. 1. "No insurance company, association, or society, by itself or any other party, and no insurance agent, solicitor, or broker, personally or by any other party, shall offer, promise, allow, give, set off, or pay, directly or indirectly, any rebate of, or part of, the premium payable on the policy, or on any policy or agent's commission thereon, or earnings, profit, dividends, or other benefit founded, arising, accruing or to accrue thereon or therefrom, or any special advantage in date of policy or age of issue, or any paid employment or contract for services of any kind, or any other valuable consideration or inducement, to or for insurance on any risk in this Commonwealth, now or hereafter to be written, which is not specified in the policy contract of insurance; nor shall any such company, association or society, agent, solicitor, or broker, personally or otherwise, offer, promise, give, option, sell, or produce any stocks, bonds, securities or property, or any dividends or profits accruing or to accrue thereon, or other thing of value whatsoever, as inducement to insurance or in connection therewith, which is not specified in the policy; provided, that nothing in this section shall be construed to prevent the taking of a bona fide obligation with legal interest, in payment of any premium." Penalty for violation, revocation of license. Sec. 2. "No insured person or party, or applicant for insurance, shall, directly or indirectly, receive or accept, or agree to receive or accept, any rebate of premium, or of any part thereof, or all or any part of any agent's, solicitor's, or broker's commission thereon, or any favor or advantage or share in any benefit to accrue under any policy of insurance, or any valuable consideration or inducement, other than such as are specified in the policy." Penalty for violation, fine not exceeding \$500, or imprisonment for not more than six months, or both. The rating law of 1915 forbids unfair discrimination between risks of essentially the same hazard.

**ATTORNEY**—The Insurance Commissioner must be appointed attorney for service of legal process.

**CANCELLATION OF POLICY**—No provision.

**CAPITAL REQUIRED**—Company must have capital of at least \$100,000 to transact either fire or inland marine insurance, or \$200,000 to transact both classes of insurance, or \$400,000 for fire, inland and ocean marine. Other State companies must have \$200,000 capital or \$400,000 to do fire, inland and ocean marine.

**COMMISSIONS TO NON-RESIDENTS**—Commissions must be received by resident agents.

**DEPOSIT**—A foreign company must have \$200,000 on deposit in one of the United States, or \$400,000 to do fire, inland and ocean marine business.

**DOMESTIC COMPANIES**—Joint stock companies may be organized by ten or more citizens. A mutual company must incorporate the word "mutual" in its title.

**EXAMINATIONS**—The Insurance Commissioner is vested with authority to examine domestic and foreign companies whenever he deems it necessary and expedient, and is also authorized to examine any corporation engaged in organizing or selling stocks of an insurance company or companies, or which is holding the stock of one or more insurance companies for the purpose of controlling the management thereof, and may suspend the certificates of companies found to be in unsatisfactory condition. Domestic companies must be examined at least once in three years.

**FEES**—For filing certified copy of charter (once only), \$25; for filing statement (annually), \$20; for each certificate of authority to company or agent (of other than domestic company) and certified copy thereof, \$2 annually (license required for the firm or company, and also for each member of a firm and each officer and each director of a company, who engages in the business, no fee being charged for license to the firm or company); for each copy of any paper on file per folio, 20 cents; for affixing official seal, \$1; for each insurance broker's license, \$10 for individual and \$25 for firm or corporation, annually; for license to deal with unauthorized companies, \$100 annually; for service of process, \$2; for any other certificate, \$2. Fees are payable to the Insurance Commissioner. See "Reciprocal Law."

**FIRE DEPARTMENT TAX**—No provision. Fire patrol corporations are authorized to be organized in first-class cities, and a tax not to exceed two per cent of net premium receipts in such cities may be levied upon all organizations and agencies transacting fire insurance business therein. Statements and payments to be made semi-annually. Penalty for failure to make return within thirty days, \$100 for each month of default.

**FIRE MARSHAL**—Law of June 3, 1911, provides for the establishment of a State Fire Marshal's department. Companies must report all fires.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—Not required.

**IMPAIRMENT**—Impairment of twenty per cent of capital or more must be made good within sixty days.

**INVESTMENTS PRESCRIBED**—Law of June 1, 1911, Sec. 16. "The capital of any fire or fire and marine insurance company of this Commonwealth shall be invested only as follows: First, in such real estate as it is authorized by this act to hold; second, in bonds of the United States or District of Columbia or of any State or Territory of the United States or Canada; third, in the legally authorized bonds or notes of any city, county, township, municipality, school or water district of this Commonwealth, or of any other State or Territory of the United States or Canada; fourth, in the bonds or notes of any solvent railroad or street railway corporation upon which no default in interest has been made; fifth, in ground rents and loans upon improved and unincumbered real estate; provided, that no loan on

such real estate shall exceed sixty-six and two-thirds per centum of the fair market value thereof at the time of making such loan." Sec. 17. "Any money over and above the capital of any such insurance company may be invested in the securities above enumerated or in the stock or other evidence of indebtedness of any solvent dividend-paying corporation created under the laws of this Commonwealth, or of any other State of the United States, or loaned upon the pledge of the same except its own stock or the stock of any other insurance company transacting like classes of business; provided, the current market value of such securities shall be at least twenty per centum more than the sum loaned thereon, but no such insurance company shall invest any of its funds in any unincorporated business or enterprise, nor in the stocks or evidence of indebtedness of any corporation, the owners or holders of which stock or evidence of indebtedness may in any event be or become liable on account thereof to any assessment except for taxes. Not more than one-fifth of its capital shall be invested in a single mortgage, nor shall any of its funds be loaned on personal security. If any investment or loan is made in a manner not authorized by this act the officers and directors making or authorizing the same shall be personally liable for any loss occasioned thereby." No domestic company shall purchase, hold or convey real estate except such as shall have been mortgaged to it in good faith, conveyed in satisfaction of debts, purchased at sales upon judgments, decrees or mortgages, etc., and any real estate so acquired which has been held for a period of more than five years from the date of purchase, receipt or acquisition, must be sold and disposed of within six months. Time may be extended by the Insurance Commissioner. A company may own real estate sufficient for the convenient accommodation of its business. Domestic companies may invest capital and surplus funds in farm loan bonds issued by Federal Land Banks.

**LICENSED BROKERS**—Law of June 1, 1911, Sec. 19. "An insurance broker is a person, not an officer or agent of the company interested, who for compensation, acts or aids in any manner in obtaining insurance for a person other than himself." Provision is made for licensing brokers, and brokers' licenses may be issued to firms or incorporated agencies. No person shall act as an insurance broker without having obtained a license, under a penalty of \$300. Law of June 1, 1911, Sec. 27. "The Insurance Commissioner may issue a license revocable at any time permitting the person, firm or corporation named in such license to act as a broker to procure policies of fire or marine insurance from companies and associations not authorized to do business in this Commonwealth. Before any fire or marine insurance shall be procured under or by virtue of said license, there shall be executed and filed with the Insurance Commissioner by the licensed broker and also by the party desiring the insurance, an affidavit which shall have force and effect for one year only from date thereof setting forth that the party desiring insurance is, after diligent effort, unable to procure the amount required to protect the property owned or



controlled or entrusted to him from fire or marine insurance corporations—mutual insurance corporations or associations excepted—duly authorized to transact business in this Commonwealth. \* \* \*.” Sec. 28. “Each party receiving such license shall before transacting any business thereunder execute and deliver to the Insurance Commissioner a bond in the penal sum of \$1000, with such sureties as the Commissioner may approve, conditioned that said broker will faithfully comply with all requirements of the preceding section of this act and will pay to the Insurance Commissioner in January of each year a tax of three per centum upon the gross premiums named in the policies delivered to the policyholders and upon all policies procured by him in accordance with the preceding section during the year. Deductions shall be allowed for net premiums returned on policies canceled. \* \* \*.” Penalty for dealing with unauthorized companies without a license, \$300 to \$1000 for the first offense, and for a subsequent offense, a like fine and not exceeding one year’s imprisonment, or either, or both. See “Resident Agents.”

**LIMIT ON A SINGLE RISK**—None for stock companies. No risk may be written by a Lloyds exceeding one-fifth of its cash and invested assets.

**LLOYDS**—Under a law of 1915 a Lloyds association can be licensed in Pennsylvania to conduct fire, marine and automobile insurance. Underwriters must file with Insurance Commissioner sworn declaration of the association’s statistics and copies of its policies and agreements. Deposits must be made aggregating from \$100,000 to \$200,000, according to classes of business transacted; and each underwriter who is not a citizen of the United States must deposit \$5000 with the Insurance Commissioner, unless he is a member of a group having not less than \$100,000 on deposit with United States Trustees. The underwriters must number at least 25, each to have \$20,000 in his own right beyond all debt or liability. (See “Reciprocal Insurance.”)

**MARINE INSURANCE REQUIREMENTS**—Same provisions apply to marine or fire-marine companies as to purely fire insurance companies.

**MISCELLANEOUS**—Two or more joint stock fire insurance companies authorized to transact business in Pennsylvania may issue a combination policy. Under a law passed June 1, 1911, the Insurance Commissioner is given authority to take charge of insolvent domestic insurance corporations. Misrepresentation is prohibited. Under a law (P. L. 262) passed in 1915, any person or persons found guilty of criminally burning a building or through negligence or disregard of an existing law or ordinance for the prevention of fire is responsible for a fire, in a city of the second class shall be liable for all costs resulting therefrom, which shall be determined by the Director of the Department of Public Safety. Authority for all stock and mutual companies to write war risk and bombardment insurance is given by an act (166) of 1917. Insurance Commissioner has supervision over new company promotions.

**MUTUAL COMPANIES**—Ten or more natural persons, citizens of Penn-

sylvania, may incorporate a mutual fire insurance company. They shall draw up articles of incorporation, acknowledged by the subscribers and submitted to Insurance Commissioner, stating the title of the company, kind of insurance to be transacted, the place or principle upon which the business is to be conducted, its home office, general objects, proposed duration and the powers it proposes to have and exercise. The president, secretary-treasurer and at least seven directors must be chosen by subscribers to officiate until the first annual election. The articles of agreement must be approved by the Governor, who shall grant the charter, which may be either perpetual or limited. No company shall issue policies or transact business until a certificate of authority has been issued by the Insurance Commissioner. This certificate shall not be issued until the company has agreed to comply with the following conditions: (1) Shall either have bona fide applications for insurance or have in force at least twenty policies for at least twenty members for the same kind of insurance upon not less than two hundred separate risks, each within the maximum single risk described herein. (2) The "maximum single risk" shall not exceed twenty per cent of the admitted assets, or three times the average risk, or one per cent of the insurance in force, whichever is the greater; reinsurance effected simultaneously being deducted in determining the maximum single risk. (3) It shall have collected a cash premium upon each application, which premium shall be held in cash, or securities in which insurance companies are authorized to invest; and shall be equal, in case of fire insurance, to not less than twice the maximum single risk assumed subject to one fire, nor less than ten thousand dollars, and, in any other kind of insurance, to not less than five times the maximum single risk assumed, and, in case of workmen's compensation insurance, to not less than five thousand dollars. Municipalities, private and public corporations may be members of these mutual insurance companies. Every policyholder shall be a member and shall be entitled to one vote. The maximum premium payable by any member shall be expressed in the policy or in the application for insurance if attached to the policy. Such maximum premium shall be a cash premium and an additional contingent premium not less than the premium, or may be solely a cash premium. No policy shall be issued for a cash premium without an additional contingent premium unless the company has surplus which is not less in amount than the capital required of a domestic stock insurance company. All investments must be made as prescribed for domestic stock companies. Unearned premium reserve must be maintained similar to that required of a stock company. Sec. 22. Any mutual insurance company organized outside of this Commonwealth, and authorized to transact business of insurance on the mutual plan in any State, district, or territory, may be admitted and granted a certificate of

authority to transact the kinds of insurance authorized by its charter or articles of association, to the extent and with the powers and privileges specified in this act, when it shall be solvent under this act and shall have complied with the provisions of law applicable to the filing of papers and furnishing information by stock companies, on application for authority to transact the same kind of insurance. If organized without the United States, it shall make and maintain the deposit required of stock insurance companies formed without the United States transacting the same kind of insurance.

**PRELIMINARY DOCUMENTS**—Company must file with the Commissioner a certified copy of its charter; verified statement showing its condition and affairs; copies of forms of all policies it proposes to issue in the State, and appointment of Insurance Commissioner as attorney. Penalty for doing business without a license, \$500 for each month, and no certificate will be granted until such fine is paid. Foreign companies must file certified copy of charter and certificate of deposit. Certificate of compliance with laws of home State is not required annually. Copy of charter and certificate of deposit need be filed but once, but any amendment of charter must be filed.

**PUBLICATION**—No publication of statements required.

**RATING BUREAUS TO BE MAINTAINED**—Every company must maintain or be a member of a rating bureau, but of not more than one bureau, for the purpose of rating the same risks (this provision does not apply to any mutual fire insurance companies doing business in Pennsylvania). Rating bureaus are placed under the supervision of the Insurance Commissioner, who may require the filing of schedules, rates, forms, rules, regulations and such other information as he may specify. The Commissioner shall have power to examine rating bureaus and shall examine them at least once every three years, but may waive such examination upon the filing of a report of an examination made by some other Insurance Department. Unfair discrimination in rates between risks of essentially the same hazard is forbidden. A company must file notice of a variation from the bureau rates with the bureau at least fifteen days in advance. No agreement is permissible which would require the insured to place insurance with any particular companies or agents. A bureau consisting of two or more insurers shall admit to membership any company authorized in Pennsylvania applying therefor if it shall agree to abide by the rules and regulations of such bureau. The expenses of the bureau shall be in proportion to gross premiums received to which may be added a reasonable annual fee. Every company must keep the Insurance Department informed as to the rating bureaus of which it is a member. A rating bureau must inspect every risk, specifically rated by it upon schedule, and make a written survey of such risk, a copy of which shall be furnished to the owner of the property or his authorized agent upon request. No company or bureau shall enter into any agreement regulating

the making or fixing of rates in the State except as provided in this act. (P. L. 898, 1915.)

**RECIPROCAL INSURANCE**—By a law of June 27, 1913, any class of individuals designated subscribers are authorized to exchange reciprocal or inter-insurance contracts providing for any insurance loss, except life. Contracts to be executed by an attorney-in-fact. Statement must be filed with Insurance Commissioner, showing applications for indemnity upon at least 100 separate risks aggregating \$1,500,000, covered by bona fide contracts. Deposit required with attorney, \$25,000. Commissioner must be appointed attorney for service of process. All fees and taxes same as required of regular stock companies. A reserve of 50 per cent of net annual deposits must be maintained; but this reserve shall at no time be less than \$25,000. Any violation punishable by a fine of from \$100 to \$1000.

**RECIPROCAL LAW**—Law of June 1, 1911, Sec. 30. "If, by the laws of any other State, any taxes, fines, penalties, licenses, fees, or other obligations or prohibitions additional to or in excess of those imposed by the laws of this Commonwealth upon insurance companies of other States and their agents, are imposed on insurance companies of this Commonwealth and their agents doing business in such State, like obligations and prohibitions shall be imposed upon all insurance companies of such State doing business in this Commonwealth, so long as such laws remain in force."

**REINSURANCE**—Law of May 8, 1899, Sec. 2. "No fire insurance company or association shall reinsure, in any manner whatsoever, the whole or any part of a risk taken by it on property situated or located in this State, in any other company or association not authorized to transact business in this State. No fire insurance company or association shall transfer or cede, in any manner whatsoever, to any company or association not authorized to do business in this State any risk or liability, or any part thereof, assumed by it under any form or contract of insurance covering property located in this State, including any risk or liability under any general or floating policy, or any agreement, general, floating or specific, to reinsure excess loss by one or more fires. No fire insurance company or association shall reinsure or assume, as a reinsuring company or otherwise, in any manner or form whatsoever, the whole or any part of any risk or liability, covering property located in this State, of any insurance company or association not authorized to transact business in this State." Sec. 4. "Every fire insurance company or association shall annually, and at such other times as the Insurance Commissioner may require, in addition to all returns now by law required of it or its agents or managers, make a return to the Insurance Commissioner, in such form and detail as may be prescribed by him, of all insurance or cessions of risk, or liability contracted for or affected by it, whether by issue of policy, entry on bordereau, or general participation agreement, or by excess loss reinsurance, or in any other manner whatsoever, upon property located in

this State, or covering, whether specified or otherwise, any risk or liability upon property so located; such return to be certified by the oath of its president and secretary, if a company or association of one of the United States, and if a company or association of a foreign company by the oath of its managers in the United States, as to such reinsurance or cessions effected through its branch office in the United States, and by the oath of its president and secretary, or by officers corresponding thereto at its home office, wherever located, as to reinsurance or cessions, as aforesaid, contracted for, or effected through, the foreign office. The refusal of any such company or association to make the returns herein required shall be presumptive evidence that it is guilty of violating the provisions of the second section of this act, and shall subject it to the penalties prescribed and imposed by this act." Penalty for each wilful violation, \$500; for non-payment of fine within thirty days, revocation of license, to continue at least one year.

Chap. 335. No insurance company or association organized under the laws of this Commonwealth shall reinsure its risks, except by permission of the Insurance Commissioner, but may reinsure part of any individual risk, provided such reinsurance covering risks in this Commonwealth are reinsured in companies authorized to transact business herein. No company which continues to do fire, marine or inland insurance shall be permitted to enter into new contracts to insure lives in this Commonwealth. *Purdon's Digest*, Penna. Laws, Vol. 5, p. 6457.

**REINSURANCE RESERVE**—Law of June 1, 1911, Sec. 7, provides that for fire insurance companies the Insurance Commissioner shall charge fifty per centum of the premiums received on all unexpired risks that have one year or less to run, and a pro rata on all premiums received on risks that have more than one year to run; and in marine and inland insurance he shall charge fifty per cent on the premiums written on yearly risks and all the premiums received on all other marine and inland unexpired risks; on perpetual business the deposits received, less a surrender charge of not exceeding ten per cent thereof, as a reinsurance reserve.

**RESIDENT AGENTS**—Law of May 8, 1899, Sec. 1. "No fire insurance company or association not incorporated under the laws of this State, authorized to do business herein, shall make, write or place, or cause to be made, written or placed, any policy or duplicate policy or contract of insurance of any kind or character, or any general or floating policy, upon property situated or located in this State, except after the said risk has been approved in writing by an agent who is a resident of this State, regularly commissioned and licensed, to transact insurance business herein, who shall countersign all policies and receive the commission thereon, when the premium is paid. \* \* \*" This law does not apply to policies of marine and inland transportation insurance. Railroad rolling stock and property in transit are excepted. A ruling of the Insurance Department is

to the effect that it is unnecessary to have reinsurance policies written and countersigned by a resident agent, as the original policy has been so issued. Penalty, same as under "Reinsurance."

**SEMI-ANNUAL STATEMENTS**—See "Tax Statements." Also "Fire Department Tax."

**STANDARD POLICY**—A standard form of fire insurance policy, differing slightly from the form recommended by the National Convention of Insurance Commissioners, went into effect on January 1, 1916.

**TAXES**—Companies of other States and countries are taxed on gross premiums received in State, two per cent, allowing deductions for return premiums and reinsurance premiums, where the reinsurance is placed in companies authorized to transact business in Pennsylvania. Domestic companies pay eight mills on the dollar of gross premiums; ten per cent added for thirty days' delay in payment. Licensed brokers pay three per cent on gross premiums on risks placed with unauthorized companies. Penalty for neglect to pay tax, non-renewal of certificate until paid. Taxes must be paid into the State Treasury. Residents placing insurance in unlicensed companies must deduct from premiums an amount computed at the tax rate on licensed companies, and pay same into the State Treasury.

**TAX STATEMENTS**—Must be filed semi-annually by July 31 and January 31, by domestic companies with Auditor-General; by other companies, annually on or before March 1 with Insurance Commissioner. See "Reinsurance." Credit is given for reinsurance in authorized companies.

**VALUED POLICY**—No requirement.

### COUNTY TAXES AND FEES.

Law of 1915, No. 122, prohibits the levying by any city, county or municipality of any tax or license on any insurance agent, broker or company other than the regular State licenses and fees.

### MUNICIPAL TAXES AND FEES.

Law of May 3, 1915. " \* \* It shall be unlawful for any city, county, or municipality to impose or collect any license fee upon insurance companies or their agents, or insurance brokers, authorized to transact business under an act approved the first day of June, 1911. \* \* "

**PHILADELPHIA**—Fire Insurance Patrol,  $1\frac{1}{4}$  per cent of net premiums, payable semi-annually.

### CALENDAR—PENNSYLVANIA

On or before

Jan. 1      Semi-annual State premium tax payable by (Pennsylvania companies).

Jan. 31      Tax statement must be filed by domestic companies.  
Premium tax is payable by Pennsylvania companies.

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- March 1 Tax statement must be filed by other State and foreign companies.  
State premium tax is payable by other State and foreign companies.
- April 1 Annual statement must be filed.  
Agents' licenses must be obtained.  
Company license must be secured.
- July 31 Tax statement must be filed by domestic companies.  
Premium tax is payable by Pennsylvania companies.

*March 1st to 31st*  
*— 1/10 %*

*July 1st to 31st to pay*  
*the premium for their %*

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## PHILIPPINE ISLANDS.

**AGENTS' LICENSES**—Agents must secure licenses from the Insurance Commissioner before being entitled to transact business and receive commissions. Licenses are renewable annually before July 1. Original certificate shall be issued by the Insurance Commissioner only upon a written application from the person desiring such authority, such application being approved and countersigned by the company such person desires to represent; renewal certificate may be issued upon application of the company. Violation of law is punishable by a fine of 500 pesos and revocation of license. Person acting as agent for unlicensed company is punishable by a fine of 200 pesos, or imprisonment for two months, or both. Provision is made for placing insurance in unauthorized companies. See "Licensed Brokers." A privilege tax of 40 pesos is payable to the Bureau of Internal Revenue by each insurance agent, broker or solicitor, and applies to every individual who receives any commission or other compensation for services in obtaining new insurance. (The value of a peso is about 50 cents in United States currency.) This tax is payable in quarterly installments.

**ANNUAL STATEMENTS**—Must be filed with the Insurance Commissioner on or before April 30, if fiscal year ends December 31; otherwise, within four months after close of fiscal year. An extension of not exceeding three months may be granted, if necessary.

**ANTI-DISCRIMINATION**—All conditions relating to insurance must be expressed in the policy. Rebates or discriminations in rates on risks of the same class are forbidden. Insurance Law, Sec. 191. "Discrimination against a citizen of the Philippine Islands, whereby such citizen is given less advantageous rates, dividends, or other policy conditions or privileges than are accorded to Caucasians because of his race, is prohibited."

**ATTORNEY**—A foreign company must designate some resident of the Philippine Islands to receive service of legal process, the Insurance Commissioner being empowered, to receive service in the absence of such attorney.

**CANCELLATION**—The Insurance Act, Sec. 75. "A person insured is entitled to a return of the premium when the contract is voidable, or on account of facts, of the existence of which the insured was ignorant without his fault; or when, by any default of the insured other than actual fraud, the insurer never incurred any liability under the policy." Sec. 76. "In case of an over-insurance by several insurers the insured is entitled to a ratable return of the premium, proportionate to the amount by which the aggregate sum insured in all the policies exceeds the insurable value of the thing at risk."

**CAPITAL REQUIRED**—Foreign companies must have unimpaired capital or assets and reserve not less than is required of domestic companies (See



"Deposit"). A domestic company must have a subscribed capital of at least 250,000 pesos, of which fifty per cent must be paid up in cash before the company begins business and the balance within twelve months after the date of filing of its articles of corporation. If the company fails to complete the capital payment within the prescribed time, it shall not be permitted to write new risks. A mutual company must have available cash assets of at least 250,000 pesos above all liabilities, including legal reserve.

**DEPOSIT**—Insurance Law, Sec. 178. "No foreign insurance company shall engage in business in the Philippines unless possessed of paid-up unimpaired capital or assets and reserve not less than that herein required of domestic insurance companies and no insurance company organized or existing under the government or laws other than those of the Philippines or any State of the United States shall engage in business in the Philippines until it shall have deposited with the Insurance Commissioner for the benefit and security of its policyholders and creditors in the Philippines securities satisfactory to the Insurance Commissioner, consisting of bonds of the United States or of the Philippines or of any of the branches or political subdivisions of the Philippines, authorized by law to issue bonds, or of the Government in which such company is organized, or other good securities to the actual market value of one hundred thousand pesos. *Provided*, That at least 50 per centum of the securities or bonds shall consist of securities of the Philippines. *And provided further*, That it shall be a sufficient compliance with the provisions of this section if the deposit herein required be made with the Chief of the Bureau of Insular Affairs of the War Department at Washington or with a safe deposit company designated by that officer, which company shall agree to hold the securities so deposited subject to the control of the Chief of the Bureau of Insular Affairs as the representative of the Insurance Commissioner of the Philippine Islands."

**DOMESTIC COMPANIES**—Domestic companies may be formed, but shall not adopt the name of any existing company transacting a similar business or any name so similar as to be calculated to mislead the public. See "Capital." Provision is made for the investment of funds. See "Investments Prescribed."

**EXAMINATIONS**—Companies must keep their records in such manner that the Insurance Commissioner may readily verify their statements, and ascertain whether they are solvent and have complied with the provisions of the law. He must examine each domestic company annually, and whenever he considers it advisable.

Insurance Law, Sec. 175. "If the Insurance Commissioner is of the opinion upon examination or other evidence that any foreign or domestic insurance company is in an unsound condition, or that it has failed to comply with any provision of law obligatory upon it, or that its condition is such as to render its proceedings hazardous to the public or to its policyholders or that its actual assets exclusive of its capital are less than its

liabilities, including unearned premiums and reinsurance reserve, the Insurance Commissioner is authorized, subject to appeal to the Secretary of Finance and Justice, to revoke or suspend all certificates of authority granted to such insurance company, its officers or agents, and no new business shall thereafter be done by such company or for such company by its agents in the Philippine Islands while such revocation, suspension or disability continues or until its authority to do business is restored by the Insurance Commissioner. The decision of the Secretary of Finance in all such cases shall be final."

**GENERAL PENALTIES**—Insurance Law, Sec. 203. "Any person who knowingly violates any provision of this chapter for which no penalty is provided, shall upon conviction be punished by a fine not exceeding five hundred pesos or by imprisonment not exceeding five months, or both, by such fine and imprisonment in the discretion of the court."

**IMPAIRMENT**—See "Examinations."

**INVESTMENTS PRESCRIBED**—Insurance Law, Sec. 197. "No insurance corporation shall loan any of its money or deposits except upon first mortgages or deeds of trust of unincumbered improved real estate, in cities and centers of population of municipalities in the Philippine Islands when the amount of such loan is not in excess of sixty per centum of the value of such real estate, or upon the security of first mortgages or deeds of trust of actually cultivated, improved and unincumbered agricultural lands in the Philippine Islands when the amount of such loans is not in excess of forty per centum of the value of such land, or upon bonds or other evidence of debt of the Government of the United States, or of the Philippine Islands, or of the City of Manila, or of municipalities in the Philippine Islands authorized by law to issue bonds, or such other securities, deposited as collateral, as may be approved by the Insurance Commissioner; *Provided, however,* That a life insurance corporation may loan its money upon the security of a policy to an amount not exceeding the net reserve value of the policy at the time said loan is made."

Sec. 198. "No loan by any insurance corporation on the security of real estate shall be made unless the title to such real estate shall have first been registered in accordance with the Land Registration Act, or shall be a *titulo real* duly registered, or have been previously registered under the provisions of the Mortgage Law; that is, under the system of registration established by the laws in force on the date of the passage of Act numbered 496, entitled 'The Land Registration Act.'"

Sec. 199. "It shall be the duty of the officers of the corporation to report quarterly on the first days of January, April, July and October of each year to the Insurance Commissioner a list of such investments as may be made by them, and the Insurance Commissioner may, if such investments, or any of them, seem injudicious to him, require the sale of the same."

Sec. 200. "Insurance corporations may purchase, hold, own and con-

vey real and personal property as follows:

(a) "The lot with the building thereon in which the corporation conducts and carries on its business.

(b) "Such property, real and personal, as may have been mortgaged, pledged, or conveyed to it in good faith in trust for its benefit by reason of money loaned by it in pursuance of the regular business of the corporation, and such real or personal property as may have been purchased by it at sales under pledges, mortgages, or deeds of trust for its benefit on account of money loaned by it, and such real and personal property as may have been conveyed to it by borrowers in satisfaction and discharge of loans made by the corporation to them; *Provided, however,* That any real estate purchased by said corporation in payment or by reason of any loan made by said corporation shall be sold by the corporation within five years after the title thereto has been vested in it.

(c) "Bonds and other evidences of debt of the Government of the United States or of the Philippine Islands or of the city of Manila or of any municipality in the Philippine Islands authorized by law to issue bonds at the reasonable market value thereof, and such other securities as may be approved by the Insurance Commissioner."

**LICENSES**—Every company is required to secure a license from the Insurance Commissioner, which license shall expire on June 30, and must be renewed annually by a company continuing business in the Philippine Islands.

**LICENSED BROKERS**—A regularly authorized fire or marine insurance agent may be licensed to place risks in unauthorized companies, when sufficient insurance cannot be obtained in licensed companies. A tax of 2 per cent is levied upon such premiums. Property owners placing business directly with unauthorized companies pay 1 per cent tax.

**LIMIT ON A SINGLE RISK**—Ten per cent of net assets, unless excess risk is reinsured simultaneously.

**LLOYDS**—Insurance Law, Sec. 170. "For the purposes of this chapter, unless the context otherwise requires, the terms 'company' or 'insurance company' shall include all corporations, associations, partnerships, or individual engaged as principals in the insurance business, excepting fraternal and benevolent orders and societies."

Sec. 202. "No person, partnership, or association of persons shall engage in the business of insurance in the Philippine Islands except as agent of a person or corporation authorized to do the business of insurance in the Philippine Islands, unless possessed of the capital and assets required of an insurance corporation doing the same kind of business in the Philippine Islands and invested in the same manner; nor unless the Insurance Commissioner shall have granted to him or them a certificate to the effect that he or they have complied with all the provisions of law which an insurance corporation doing business in the Philippine Islands

is required to observe. Every person, partnership, or association receiving any such certificate of authority shall be subject to the insurance laws of the Philippine Islands and to the jurisdiction and supervision of the Insurance Commissioner in the same manner as if an insurance corporation authorized by the laws of the Philippine Islands to engage in the business of insurance specified in the certificate."

**MISCELLANEOUS**—Insurance Law, Sec. 171, authorizes the Insurance Commissioner to issue such rulings, instructions and orders as he may deem necessary to secure the enforcement of the insurance law, subject to the approval of the Secretary of Finance.

**MUTUAL COMPANIES**—Provision is made for the organization of mutual companies. See "Capital" and "Domestic Companies."

**PRELIMINARY DOCUMENTS**—Before engaging in business, a company must file with the Insurance Commissioner certified copy of its last annual statement or a verified financial statement showing its conditions and affairs; if a domestic company, a certified copy of its articles of incorporation and by-laws, with amendments; if a foreign corporation, a certified copy of its articles of corporation and by-laws, with amendments, and a certificate from the proper officer of the State or county where such company is located that it is authorized under the laws of such State or country, and has the amount of capital stock or assets and legal reserve required by the insurance law of the Philippine Islands; if not incorporated, a certificate stating the nature and character of the business, its location, the names of the persons and all those composing the company, firm or association; the amount of actual capital employed or to be employed therein, and the names of those managing its affairs; the appointment of the resident as attorney, the Insurance Commissioner being authorized to act in his absence.

**PUBLICATION**—Annual statement, when approved, must be published in two papers of general circulation in Manila, one published in English and one in Spanish.

**RECIPROCAL INSURANCE**—All reciprocals and inter-insurers are required to have the same capital and be governed by all laws which govern stock companies. See "Lloyds."

**REINSURANCE**—May be made with unlicensed companies, but no return of taxes is allowable.

**REINSURANCE RESERVE**—Fifty per cent of gross premiums received on policies or risks having not more than a year to run, and pro rata on all gross premiums received having more than a year to run. For marine risks, fifty per cent of premiums written in policies upon yearly risks, and the full amount of the premiums written in the policies upon all other marine risks not terminated.

**STANDARD POLICY**—No provision. Fire and marine policy forms and riders must be filed.

**TAXES**—There is a documentary stamp tax levied upon all policies of in-

insurance or other instruments by whatever name the same may be called, by which insurance shall be made or renewed upon property of any description, including rents or profits, against perils by sea or on inland waters, or by fire or lightning, or each, four pesos (\$2) or fractional part thereof, of the amount of premium charged, two centavos (1 cent).

A tax of one per cent upon the total premiums collected during each calendar year, whether paid in money, notes, credits, or any substitute for money, less premiums refunded within six months after payment to persons insured, must be made to the Collector of Internal Revenue; "nor shall any tax be paid upon reinsurance by a company that has already paid the tax." This tax is due on July 1, for the preceding calendar year; and if it remains unpaid for fifteen days thereafter the amount shall be increased by twenty-five per cent. No credit allowed for reinsurance in unauthorized companies.

**TAX STATEMENTS**—Must be rendered on or before April 1, yearly, to the Collector of Internal Revenue.

**VALUED POLICY**—Insurance Law, Sec. 164. "Whenever the insured desires to have a valuation named in his policy, insuring any building or structure against fire, he may require such building or structure to be examined by the insurer and the value of the insured's interest therein shall be thereupon fixed by the parties. The cost of such examination shall be paid for by the insured. A clause shall be inserted in such policy stating substantially that the value of the insured's interest in such building or structure has been fixed. In the absence of any change increasing the risk without the consent of the insurer or of fraud on the part of the insured, then in case of a total loss under such policy the whole amount so insured upon the insured's interest in such building or structure, as stated in the policy upon which the insurers have received a premium shall be paid, and in case of a partial loss the full amount of the partial loss shall be so paid, and in case there are two or more policies covering the insured's interest therein, each policy shall contribute pro rata to the payment of such whole or partial loss. But in no case shall the insurer be required to pay more than the amount thus stated in such policy. This section shall not prevent the parties from stipulating in such policies concerning the repairing, rebuilding, or replacing buildings or structures wholly or partially damaged or destroyed."

**CALENDAR—PHILIPPINE ISLANDS**

On or before

April	1	Tax statement must be filed.
April	30	Annual statement must be filed (for calendar year; or four months after end of fiscal year).
May	—	Statement must be published.
June	30	Company license must be obtained.
July	1	Agents' licenses must be procured. Tax statement must be filed.

## PORTO RICO.

**AGENTS DEFINED**—Act of March 7, 1912. Sec. 2. "That the term 'agent,' as used in Sections 66 and 67 of the Civil Code, as used in this Act, and elsewhere unless the context otherwise requires, shall, when referring to the representative of any insurance company, corporation, association, partnership or individual doing insurance business, be deemed to mean any person who shall receive or transmit applications for insurance, other than for himself, or receive for delivery bonds, policies or certificates of suretyship or insurance founded on applications from this Island or otherwise procure, other than for himself, insurance or suretyship to be effected by them on bonds, policies or certificates of suretyship or insurance, or the bonds, policies or certificates of suretyship or insurance given to persons or corporations in Porto Rico." Penalty for acting for an unlicensed company, a fine of not less than the amount of all premiums paid by or through him, or imprisonment for not less than thirty days nor more than two years, or both.

**ANNUAL STATEMENTS**—Must be filed in the office of the Secretary of Porto Rico at San Juan, not later than March 15. Copies must also be filed not later than March 15 in the office of the Treasurer of Porto Rico. Monthly statements required, see "Miscellaneous."

**ANTI-REBATE**—Act of March 7, 1912. Sec. 18. "No company, corporation, association, partnership or individual doing an insurance business in Porto Rico, or any agent or representative thereof, shall pay or allow directly or indirectly, or offer to pay or allow, as inducement to insurance, any rebate or premium payable on the policy, commission or brokerage on any insurance made in Porto Rico, to any but an authorized agent or representative of a company legally authorized to do business in Porto Rico. Any violation of this section shall be punished by a fine of not less than \$100 nor more than \$500 for each separate offense."

**ATTORNEY**—A resident must be appointed to receive service of process.

**COMMISSION TO NON-RESIDENTS**—Payment of commission or brokerage on any insurance made in Porto Rico to any but an authorized agent or representative of a company legally authorized to do business in Porto Rico, is prohibited. Penalty for violation, fine of \$100 to \$500 for each offense.

**DEPOSITS**—All authorized companies which were doing business in Porto Rico March 7, 1912, and continued business therein were required on or before July 1, 1912, to make a deposit valued at at least \$50,000, and to increase such deposit up to \$150,000, if original deposit is deemed insufficient by the Treasurer of Porto Rico. Foreign companies entering Porto Rico for business after July 1, 1912, must make an initial deposit of \$100,000, which, if subsequently found insufficient, must be increased to a maximum of \$200,000. Provided, that the Executive Council may accept, in lieu of all

but \$10,000 of such deposits, of any insurance company, a certificate issued under the hand and official seal of the auditor, comptroller or general fiscal officer of any State of the United States that such company has on deposit in such State for the benefit of all the policyholders of the corporation in the United States and Porto Rico the lawful amount of securities required by such State and of the actual cash value of not less than two hundred thousand (\$200,000) dollars.

**DOMESTIC COMPANIES**—Provision is made for the organization of domestic companies.

**FEES**—Act of March 7, 1912. Sec. 63a. "The Secretary of Porto Rico shall charge and collect, for the use of the people of Porto Rico, the following fees, which in all cases must be paid in internal revenue stamps, affixing the stamps to the documents and cancelling the same: (1) For receiving and filing the charter or articles of incorporation of any company or corporation, foreign or domestic, organized for pecuniary profit, he shall charge and collect the sum of 15 cents on each \$1000 of authorized capital stock; provided, however, that no company or corporation shall pay a filing fee of less than \$25 nor more than \$500 for filing its charter or articles of incorporation; and provided, further, that for every certificate of increase of authorized capital stock he shall charge and collect the sum of 15 cents on each \$1000 of such increase, and the total amount so paid for filing the charter or articles of incorporation and for filing any certificate of increase of authorized capital stock shall not exceed \$500. (2) For recording a charter or articles of incorporation, or amendments thereto, 20 cents for each 100 words. (3) For issuing each certificate of registration or of corporate existence, \$3. (4) For filing and recording notice of appointment of agent, \$5. (5) For filing and recording a resolution of the Board of Directors for removal of principal place of business under the provisions of section 17 hereof, \$5. (6) For filing certificate of increase or of decrease in authorized capital stock, \$5, in addition to the fee provided for increase of authorized capital stock. (7) For issuing certificate of increase or decrease of authorized capital stock, \$5. (8) For filing certificate of discontinuance of existence, \$3. (9) For issuing certificate of discontinuance of existence, \$3. In addition, companies are required to pay to the Treasurer of Porto Rico an annual license fee of \$25.

**INVESTMENTS PRESCRIBED**—The deposits required must be made in the following named securities: Bonds of the people of Porto Rico or bonds for which the good faith of the people of Porto Rico is pledged, or bonds of the United States, or good local interest-bearing or dividend-paying securities in Porto Rico, or other good securities acceptable to the said Treasurer and to be approved by the Executive Council; provided that at least \$10,000 of said securities shall be in local public utility, banking, industrial, or agricultural securities in Porto Rico, or bonds of the people of Porto Rico, or bonds for which the good faith of the people of Porto Rico is pledged, such securities to be acceptable to the Treasurer of Porto Rico.

**LIMIT ON A SINGLE RISK**—Act of March 7, 1912. Sec. 13. "No fire insurance company, corporation, association, partnership, or individual writing fire insurance in this island shall expose itself to loss on any one risk to an amount exceeding ten per cent of its paid-up capital and surplus, unless the excess shall be reinsured by it in some good reliable company or companies."

**MARINE INSURANCE REQUIREMENTS**—Same as those of fire companies.

**MISCELLANEOUS**—Act of March 7, 1912. Sec. 9. "No fire insurance company, corporation, association, partnership or individual doing an insurance business in Porto Rico shall limit the term within which any suit shall be brought against it to a period less than one year from the time when the loss insured against shall occur." Monthly statements to be made to the Treasurer of Porto Rico showing particulars of policies written during each month to be rendered during the ten days following the conclusion of each month.

**MUTUAL COMPANIES**—Law of March 7, 1912. Sec. 11. "Every mutual company shall cause to appear in the body of its insurance policies the total amount for which the assured may be liable under the charter or articles of association of said company."

**PRELIMINARY DOCUMENTS**—Foreign and domestic companies are required to file certified copies of their charters, together with verified statements, certificates of consent to be sued, and appointments of agents and written consent of agents.

**RESIDENT AGENTS**—Business is required to be written through resident agents.

**SEMI-ANNUAL STATEMENTS**—To be made to the Treasurer of Porto Rico, showing the gross premium collections, deductions on account of cancellations of policies and premiums available for the impositions of the 3 per cent tax. To be rendered within ten days following the close of the half year.

**STANDARD POLICY**—The Treasurer of Porto Rico may prescribe standard forms of policy and other insurance contracts and application blanks, and he shall have power to make all rules and regulations deemed necessary to properly carry out the provisions of this act and of Section 354 of the Political Code, and such rules and regulations, shall, when approved by the Executive Council, have the force of law, and non-compliance therewith may, in the discretion of the said Treasurer, be punished by an executive fine of not to exceed \$10 for each offense; provided, that such fine may be remitted by the proper court.

**TAXES**—A tax of three per cent of the gross amount of all premiums or funds collected in Porto Rico is imposed, payable semi-annually, and insurance companies are required to pay an annual tax of not less than 1.20 per cent, generally not more than 1.50 per cent, on all property owned by them in Porto Rico. There is also "a special stamp tax, to be paid by the affix-



ture of internal revenue stamps, as follows: For each bond or obligation of the nature of indemnity for loss, damage or liability, \* \* \*; half of one cent on each \$1 or fractional part thereof of the amount of premium charged, \* \* \*; for each policy of insurance or other instrument, by whatsoever name it may be called, by which insurance is made or renewed upon property of any description against peril by sea or by fire or lightning, or other peril, half of one cent on each \$1 of the amount of premium charged."

**TAX STATEMENTS**—The monthly and semi-annual statements as aforesaid are used in connection with the imposition of the special stamp tax and the 3 per cent franchise tax. Tax statements for general property taxes must be filed as of date of January 15, or whenever company is notified.

### **MUNICIPAL TAXES AND FEES.**

In all towns.

<b>CALENDAR—PORTO RICO</b>	
On or before 10th of each month	Statement of policies written must be filed with the Treasurer, Porto Rico.
Jan. 10	Semi-annual tax statement must be filed with Treasurer of Porto Rico.
Jan. 15 (or when com- pany is notified)	Tax statement for general property taxes must be filed.
March 1	Tax statement for insular income tax must be filed with the Treasurer of Porto Rico.
March 15	Annual statement must be filed with Treasurer of Porto Rico. Annual statement must be filed with Secretary of Porto Rico.
July 10	Semi-annual tax statement must be filed with Treasurer of Porto Rico.

# RHODE ISLAND.

## STATE REQUIREMENTS.

**AGENTS DEFINED**—Chap. 220, Sec. 10 (as amended in 1918). "Every person who acts or aids in any manner in negotiating contracts of insurance or reinsurance, or placing risks, or effecting insurance or reinsurance, or in obtaining any insurance, for any person other than himself, and receives compensation therefor; and every person who shall so far represent any insurance company, established in any other State or county, as to receive or transmit proposals for insurance, or to receive for delivery policies founded on proposals forwarded from this State, or otherwise to procure insurance to be effected by such company for persons residing in this State, shall be deemed and taken to be acting agent for and undertaking to make insurance as agent for and in behalf of such company, and shall be subject to the restrictions and liable to the penalties herein made applicable to agents of such companies." Chap. 39, Sec. 9. "Every person who acts or aids in any manner in negotiating contracts of insurance or reinsurance, or placing risks or effecting insurance or reinsurance, for any person other than himself, and receiving compensation therefor, in any insurance company not incorporated under the authority of this State, and who is accountable to any agent in this State of such insurance company for premiums received, shall be known and designated as a sub-agent.

**AGENTS' LICENSES**—Chap. 220, Sec. 18 (as amended in 1919). "No person shall act as agent of any insurance company as such agent is defined in Section 10 of this Chapter until such person and such company shall have complied with all the requirements of the laws of this State relating to such companies and the agents thereof, nor until such person has received from the Insurance Commissioner a certificate stating that such insurance company has complied with all the requirements of the laws of this State relating to the qualification of such agents to do business in this State, and also a license for himself to act as agent. The Insurance Commissioner shall issue such license upon ascertaining by due inquiry that such applicant is a suitable person to act as agent and intends to hold himself out in good faith as such agent. Application for such license shall be upon a form furnished by the Insurance Commissioner and must be approved and countersigned by the company which such person desires to represent, and shall be accompanied by a statement under oath made by the applicant, which shall give his name, age, residence, place of business, present occupation and occupation for past five years, and shall state whether or not he has been theretofore refused a license to act as an insurance broker or agent or had such a license suspended or revoked. He shall also give such other information as the Insurance Commissioner may require.

The Insurance Commissioner may at any time after the granting of such license for cause shown and after a hearing determine any person so appointed or any person theretofore appointed as agent to be unsuitable to act as agent and shall thereupon revoke such license, and no such license shall thereafter be issued to such person by the Insurance Commissioner within three years from the date of such revocation. Each such license shall remain in force until the first day of April next succeeding the date of its issuance unless sooner revoked by the Insurance Commissioner for cause. Every person who shall act as agent of any insurance company as defined in Section 10 of this Chapter without having such a certificate and such a license, shall be fined not less than \$100, nor more than \$500, for each offense." Each agent must file a bond for at least \$200 with the general treasurer. Agents of foreign companies in any town are not permitted to establish a branch office in any other town in the State. Every agent of a fire insurance company must be licensed as a general agent. All employees of an agency working on a commission basis are required to be licensed. Agents are not allowed to solicit business for a company having less than \$100,000 capital.

**ANNUAL STATEMENTS**—Must be filed on or before the first day of March, showing condition as of December 31 preceding. Penalty for violation, see "General Penalty." Penalty for refusing or neglecting to answer interrogatories concerning statement for thirty days, fine of \$500. These statements and tax statements are only once required annually.

**ANTI-COINSURANCE**—No statute forbidding use of coinsurance clauses.

**ANTI-COMPACT**—No prohibition of co-operation.

**ANTI-DISCRIMINATION**—No provision.

**ATTORNEY**—Insurance Commissioner must be appointed attorney to accept service of legal process.

**BROKERS DEFINED**—Chap. 221, Sec. 1 (as amended in 1918). "Whoever, for compensation, acts or aids in any manner in negotiating contracts of insurance or reinsurance or placing risks or effecting insurance or reinsurance for a person other than himself, and not being the appointed agent or officer of the company in which such insurance or reinsurance is effected, shall be deemed an insurance broker, and no person shall act as such broker save as provided in this chapter."

**BROKERS' LICENSES**—Chap. 221, Sec. 3 (as amended in 1918). "Application for such certificate of authority shall be upon a form furnished by the Insurance Commissioner, and must be approved in writing by four reputable citizens of this State engaged in the insurance business, and shall be accompanied by a statement under oath by the applicant which shall give his name, age, residence, place of business, present occupation and occupation for past five years, and shall state whether or not he has been theretofore refused a license by the State of Rhode Island, or any other State of the United States, to act as an insurance

broker or agent or had such a license suspended or revoked. He shall also give such other information as the Insurance Commissioner may require. The Insurance Commissioner may at any time after the granting of such license for cause shown, and after a hearing, determine any person so appointed, or any person theretofore appointed as broker to be unsuitable to act as broker, and shall thereupon revoke such license, and no such license or certificate of authority shall thereafter be issued to such person by the Insurance Commissioner within three years from the date of such revocation. Each such certificate shall remain in force for one year unless revoked by the Insurance Commissioner for cause."

**CANCELLATION OF POLICY**—Provided for by standard policy. Five days' notice required.

**CAPITAL REQUIRED**—Company must possess a paid-in capital of at least \$100,000.

**COMMISSIONS TO NON-RESIDENTS**—No provision. See "Brokers."

**DEPOSIT REQUIRED**—Companies of foreign countries are required to deposit \$200,000 with Insurance Commissioner of Rhode Island or the proper officer of some other State, prior to admission, in securities which shall be, at all times, at or above par. (Chap. 220, Sec. 8.)

**DOMESTIC COMPANIES**—The general requirements are same as for other companies. Provision is made for the optional establishment of guaranty surplus and special reserve funds. Premiums of domestic companies not taxed in other States are taxed in Rhode Island, as follows: Mutual companies, one per cent; stock companies, two per cent.

**EXAMINATIONS**—Chap. 219, Sec. 2. "The Insurance Commissioner shall, whenever requested by the Governor, visit any insurance company incorporated in this State, and shall have free access to its vaults and all its books and papers, and shall, if he deem it expedient, thoroughly inspect and examine all the affairs of such company and make all such inquiries as may in his opinion be necessary to ascertain the condition of such company and its ability to fulfil all its engagements, and whether it has complied with the provisions of law applicable to its transactions." Sec. 3. "The Insurance Commissioner may summon and examine under oath all directors, officers and other agents of such insurance company, and such other witnesses as he may think proper in relation to the affairs, transaction and condition of the same, and any such director, officer, agent or other person who shall refuse without justifiable cause to appear and testify whenever thereunto required as aforesaid, or who shall in any way obstruct said Commissioner in the discharge of his duties as prescribed in this chapter, shall be fined not exceeding \$5000 or be imprisoned not exceeding two years, and in case the person so refusing or obstructing as aforesaid be a director, officer or agent of such company, such company may be proceeded against as hereinafter provided." Chap. 220, Sec. 23. "The Insurance Commis-

sioner, either personally or by a committee appointed by him, consisting of one or more persons not directors, officers or agents of any life, fire, marine, or fire and marine insurance company, doing business in this State, may at any time examine into the affairs of any life, fire, marine, fire and marine, casualty or any other insurance company, incorporated by, or doing business in this State. \* \* \* All the expenses of an examination made under the provisions of this section shall be approved by and paid to the Commissioner by the company examined." Certificates of agents of insolvent or fraudulent companies shall be revoked.

**FEES**—For filing copy of its charter or deed of settlement, \$30; for filing statement preliminary to admission, \$20; for filing annual statement, \$20; for general agent's (or firm's) certificate, \$2; for each broker's license, \$10; for each service of process, \$2; for publication of advance abstracts, \$1. For examinations, actual expenses incurred. See "Retaliatory Law." Fees are payable to the Insurance Commissioner.

**FIRE DEPARTMENT TAX**—No provision. See "Retaliatory Law."

**FIRE MARSHAL**—Provision for investigation of fires by local authorities.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—No provision.

**GENERAL PENALTY**—Chap. 220, Sec. 17. "If any insurance company, co-operative or otherwise, shall make insurance without complying with the provisions of this chapter, the contract shall be valid, but every person acting within this State as agent of such company within the meaning of Sec. 10 of this chapter, respecting the effecting of any insurance, shall be fined not less than \$300, nor more than \$1000."

**IMPAIRMENT**—Chap. 220, Sec. 23. "\* \* \* Whenever it shall appear to the Insurance Commissioner, from the statements, or from any examination of the affairs of any life, fire, marine, fire and marine, casualty, or other insurance company, not incorporated under the authority of this State, that such company is insolvent, or is conducting its business fraudulently, or refuses or neglects to comply with the laws of the State relating to insurance companies, it shall be the duty of said Commissioner to revoke the certificate of authority issued to the agent or agents of any such company \* \* \*."

**INVESTMENTS PRESCRIBED**—No provision.

**LICENSED BROKERS**—See "Brokers Defined" and "Brokers' Licenses."

**LIMIT ON A SINGLE RISK**—One-tenth of the amount of paid-in capital.

**LLOYDS**—Chap. 220, Sec. 2. "The general provisions of law relating to the duties, obligations, prohibitions or penalties which appertain to insurance companies not incorporated under the authority of this State, and defining the powers and duties of the Insurance Commissioner in reference thereto, shall be and they are applicable to all corporations, companies and associations, not incorporated under the authority of this State, and to all partnerships and individuals doing, as principals or otherwise, in this State, any insurance business of any name, kind or description whatsoever."

**MARINE INSURANCE REQUIREMENTS**—Laws apply to both fire and marine companies.

**MISCELLANEOUS**—If the charter, by-laws or contracts of any foreign company contain a provision that no action shall be brought against the company in any court of competent jurisdiction in Rhode Island, the licenses of such company and its agents shall be revoked. There is a safety fund law somewhat similar to that of New York, which see. A law of 1917 permits regularly authorized fire insurance companies to write policies covering the hazards of sprinkler leakage, war risk and automobile insurance.

**MUTUAL COMPANIES**—See "Domestic Companies." Mutual companies may decline to receive premium notes, provided policyholders are made liable by the policy contract up to twenty times the cash premium paid.

**PRELIMINARY DOCUMENTS**—Company must file with the Commissioner a certified copy of its charter, a verified statement showing the condition and affairs of the company, copy of examination by home State authorities, power of attorney appointing the Insurance Commissioner attorney to accept service of process and a certificate of the appointment of a general agent of the company for Rhode Island. Certificate of compliance with laws of home State required annually, with annual statement, or as soon as possible thereafter.

**PUBLICATION**—Chap. 220, Sec. 16. As amended, 1919. "The Insurance Commissioner shall annually in the month of February publish for distribution an abstract of the statements filed in his office by fire and marine insurance companies, as required by section 15 of this chapter, and the expense of publishing and distributing said abstracts shall be paid by such insurance companies."

**RECIPROCAL INSURANCE**—See "Lloyds."

**REINSURANCE**—No express prohibition of reinsurance in unauthorized companies, and the attorney-general construes the law as not forbidding such transactions. See "Resident Agents."

**REINSURANCE RESERVE**—One-half of premiums received on policies having less than one year to run from the date of policy, and pro rata of those for longer terms.

**RESIDENT AGENTS**—Chap. 220, Sec. 6. "Foreign companies admitted to do business in Rhode Island shall make contracts of insurance only through lawfully constituted and licensed resident agents." Penalty for violation, \$100 to \$500 for each offense.

**RETALIATORY LAW**—Chap. 219, Sec. 23. "Whenever by the laws of any other State of the United States any fees, charges, taxes, deposits of money or of securities or other obligations or prohibitions are imposed on insurance companies incorporated or organized under the laws of this State, or on the agents of such insurance companies so long as such laws continue in force, the like fees, charges, taxes, deposits and obligations shall be imposed on the like insurance companies doing business in this State which are incorporated or organized under the laws of such other State, and on their agents." (As amended in 1914.)

**SEMI-ANNUAL STATEMENTS—Not required.**

**STANDARD POLICY**—The Rhode Island standard form of policy is required to be used, under penalty of \$50 to \$200; but any policy issued will be held to be valid as against the company issuing it. Under a law passed in 1911, a company may, with the written approval of the Insurance Commissioner, vary the arrangement of the conditions and provisions of the Standard policy.

**TAXES**—A tax of two per cent on the amount of premiums received and assessments collected during the calendar year, after deducting reinsurance where the reinsuring company agrees to pay the tax and return premiums, except in cases where the reinsuring company is not admitted, is collected from each stock company, and a tax of one per cent from each mutual company. Reinsurance effected in unadmitted companies is not allowed to be deducted. Mutual companies are not permitted to deduct dividends or unearned premiums applied in part payment of premiums or returned to policyholders in cash or otherwise, except return premiums paid in accordance with the standard policy form by companies using that form. Domestic companies must pay this tax, not only on their Rhode Island business, but upon direct or reinsurance premiums on property located in any other State, on which the company has not paid and is not liable to pay a tax to such State. Tax is payable to the general treasurer on first Monday in April by domestic companies, and during the month of January by the agents of companies of other States. See "Retaliatory Law." Domestic mutual company is liable under Tax Act of 1912 to taxation on the intangible property in town where located. Stock companies paying premium tax are exempt from tax on intangible personal property. Franchise tax law of 1916 (affecting domestic corporations) exempts insurance companies.

**TAX STATEMENTS**—Must be filed in January with the general treasurer. Penalty for failure to make return, or for filing false statement, fine not exceeding \$1000; and suit shall be begun on delinquent agent's bond to recover tax. Statements are filed by agents. Domestic mutual company files returns annually with tax assessors of cities wherein principal office is located.

**VALUED POLICY**—No provision.

**COUNTY TAXES AND FEES.**

None.

**MUNICIPAL TAXES AND FEES.**

None.

**CALENDAR—RHODE ISLAND**

On or before

Jan. 31

Premium tax is payable by agents of other than domestic companies.

Tax statements must be filed by agents with General Treasurer.

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- March 1 Annual statement must be filed.  
Certificate of compliance is required.
- April 1 Publication fee is payable.
- April (1st Monday) Premium tax is payable by domestic companies.
- April 1 Agents' applications for license are due.



# SOUTH CAROLINA.

## STATE REQUIREMENTS.

**AGENTS DEFINED**—Act of 1883, Sec. 6. "Any person who solicits insurance in behalf of any insurance company not organized under, or incorporated by, the laws of this State, or who takes or transmits other than for himself any application for insurance or any policy of insurance to, or from, such company, or who advertises or otherwise gives notice that he will receive or transmit the same, or who shall receive or deliver a policy of insurance of any such company, or who shall examine and inspect any risk, or receive, collect or transmit any premium of insurance, or make or forward any diagram of any building or buildings, or do or perform any other act or thing in making, or the consummating of, any contract of insurance for, or with, any such company, other than for himself, or who shall examine into and adjust, or aid in adjusting, any loss for, or in behalf of, any such insurance company, whether any such acts shall be done at the instance or request, or by the employment of, such insurance company, shall be held to be acting as the agent of the company for which this act is done or risk is taken." The Insurance Commissioner has ruled that under Sec. 1810, of the insurance laws, an agent who brokers a policy with another agent, is the agent of the company whose policy he delivers.

**AGENTS' LICENSES**—Each agent must procure from the Insurance Commissioner a license for which the charge is fifty cents. Licenses expire March 31, annually. Penalty for acting as agent without a license, fine of not over \$100, or imprisonment for not more than thirty days.

**ANNUAL STATEMENTS**—Must be filed with Insurance Commissioner by March 1, showing condition as of December 31 preceding. Penalty for failure to file annual statement, revocation of authority. See "Tax Statements."

**ANTI-COINSURANCE**—No statute forbidding use of coinsurance clauses.

**ANTI-COMPACT**—Compacts are forbidden except in compliance with the Rating Bureau Law of 1917. See "Rating Schedules to be Filed."

**ANTI-DISCRIMINATION**—There is a law prohibiting discrimination in rates between risk of the same class. See "Anti-Compact." A licensed company may make a competing rate to meet competition of an unlicensed company.

**ATTORNEY**—The Insurance Commissioner must be authorized to accept service of all legal processes. Service shall only be made upon such attorney, must be in duplicate and shall be deemed sufficient service upon the company.

**CANCELLATION OF POLICY**—No provision.

**CAPITAL REQUIRED**—Company must possess at least \$100,000 of surplus or capital, or shall file a certificate that it has deposited with some State

official securities worth \$100,000, and shall deposit with the Insurance Commissioner of South Carolina securities worth \$10,000, or a surety company bond for that sum, in the discretion of the Insurance Commissioner. Penalty for violation, fine of \$500 to \$1000.

**COMMISSIONS TO NON-RESIDENTS**—Act of April 12, 1915, provides for the placing of all insurance on South Carolina risks or property "through or by the duly authorized agent or agents of such insurance company or association residing and doing business in that State," and provides further, "The full premium shall be paid to such agents who are entitled to and shall receive the same commission on such business as the company allows them on other business of the same class. The payment of a fee or any other consideration than the full commission is held a violation of law. Agents who may sign or insurance companies who may cause to be signed any policy or indemnity contract as the resident agent of an insurance company and fails to collect the full premium for such insurance and retain the proper commission which is due such agent may have their license revoked as the penalty for aiding in an evasion of the law. Provided, however, the agents licensed under the insurance laws of this State may write insurance at the request of other agents or brokers and allow said agents or brokers not exceeding one-half of the commission which they receive on the business written." A ruling of the State Insurance Department is to the effect that an agent licensed for one class of insurance may divide commission with another agent licensed for the same class, but not with any agent not of the same class; that is, a fire insurance agent may divide with a fire insurance agent, but not with an accident and health agent, unless the latter is also licensed as a fire insurance agent.

**DEPOSIT**—Ins. Laws, Sec. 13. "Before licensing any insurance company to do business in this State, the Insurance Commissioner shall require each such company to deposit with him an approved bond or approved securities, in the discretion of the Commissioner, as follows: \* \* \* each fire \* \* \* insurance company, \$10,000. \* \* \* If a bond be given, it shall be conditioned to pay any judgment entered up against any such company in any court of competent jurisdiction in this State, and such judgment shall be a lien upon the bond or securities. In case a bond is given, the judgment creditor shall have the right to bring suit on said bond for satisfaction of the judgment in the county in which the judgment is received." See "Capital Required."

**DOMESTIC COMPANIES**—Two or more persons may organize a corporation after twenty per cent of capital is paid in, by filing articles of incorporation with the Secretary of State and a copy of same with the register of the county in which located. Provision is made for mutual protection associations by an Act of 1918.

**EXAMINATIONS**—Sec. 10. "\* \* \* He (the Commissioner) shall have authority to examine into the conditions of any company doing business in

this State, and shall have power to summon witnesses and take testimony as he may deem fit and proper for the protection of the public interests of the State. At least once in two years, and whenever he determines it to be prudent, he shall, personally or by deputy, visit each domestic company and thoroughly inspect and examine its affairs, determine and fix the value of its assets and test and declare its ability to fulfill its obligations and maintain its solvency according to proper standards. When he determines it to be prudent for the protection of the policyholders in this State, he shall in like manner visit and examine, or cause to be visited and examined by some competent person or persons whom he may appoint for that purpose, any foreign company applying for admission or already admitted to do business in this State, and such company shall pay the reasonable cost for such examination.

**FEES**—Annual State license fee payable to the Insurance Commissioner on or before March 31, \$100. For company writing fire insurance, including marine and inland transportation, lightning, sprinkler damage and tornado a Department license fee of \$40 annually; for marine companies exclusively, including inland transportation, \$15. Quarterly pro rata abatements are allowed companies admitted after October 1.

**FIRE DEPARTMENT TAX**—Act of March 7, 1910, imposes a tax of one per cent on all premiums written in cities or towns having regularly organized fire departments members of the State Firemens Association, with equipment valued at \$1,000 or more, upon companies of other States or countries. Tax is payable within sixty days after December 31, yearly, to the Insurance Commissioner. Penalty for failure to pay tax, revocation of license.

**FIRE MARSHAL**—Investigation of fires and origin thereof is provided for. See "Taxes." Criminal carelessness is punishable under law.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—None required.

**GENERAL PENALTY**—For violation of insurance law, or disobedience of a lawful order of the Insurance Commissioner, fine of \$100, or imprisonment not exceeding 30 days.

**IMPAIRMENT**—Sec. 11. "If the Commissioner is of opinion, upon examination or other evidence, that a company is in an unsound condition, that it has failed to comply with the law or with the provisions of its charter, or that its condition is such as to render its proceedings hazardous to the public or to its policyholders, or that its funds, if it is a life insurance company, are less than its liabilities, exclusive of its capital, or if its officers or agents refuse to submit to examination or to perform any legal obligation relative thereto, he shall revoke, or suspend all certificates of authority granted to said company, its officers or agents, and shall cause notices thereof to be published in a newspaper of general circulation in this State, and no new business shall thereafter be done by its agents in this State

while such default or disability continues, nor until its authority to do business is restored by the Commissioner."

**INVESTMENTS PRESCRIBED**—See "Taxes."

**LICENSED BROKERS**—Under Law of March 2, 1916, insurance brokers residents of the State, may be licensed by the Insurance Commissioner to represent citizens of the State for the placing of insurance in insurers licensed in South Carolina or any other State or country. All licenses so issued expire on March 31 of each year, and the annual license fee (\$25) may be prorated quarterly after October 1 of each year.

**LIMIT ON A SINGLE RISK**—No provision.

**LLOYDS**—Same conditions apply as those relating to corporations.

**MISCELLANEOUS**—Residents may procure insurance in unlicensed companies on paying a tax of three per cent on the premiums and securing authorization for the adjustment of a loss under such policies. The adjuster adjusting a loss under such a policy must pay a fire inspection tax of one-tenth of one per cent upon the amount of the loss. An agent for an unlicensed company may be authorized to collect premiums upon South Carolina policies in force, but not to write new business, on payment of tax of one per cent on net premiums. License of company removing a case to a Federal court may be revoked. Company promotions are under supervision of Insurance Commissioner, according to a law passed in 1915. Agent receiving premium for insolvent insurance company or misrepresenting any policy or company shall be guilty of a misdemeanor.

**MUTUAL COMPANIES**—Sec. 18. "Any foreign mutual fire insurance company maintaining no agents, writing no business except on property of its members and doing business without profit, may be admitted to do business in this State on the following terms: It shall file with the Insurance Commissioner a satisfactory statement of its condition and such other information as he shall require; a copy of its charter and amendments thereto; certificate of compliance with the laws of its home State, and the appointment of the Insurance Commissioner of South Carolina as its attorney to accept service. It shall pay an annual department license fee of twenty-five dollars and the additional license fee now provided by law on the actual cost of insurance." See "Domestic Companies."

**PRELIMINARY DOCUMENTS**—Company must file with the Insurance Commissioner a certified copy of its charter, certified copy of resolution appointing attorney, and a verified statement showing its financial condition; foreign companies must also file certificate of deposit.

**PUBLICATION**—No requirement.

**RATING SCHEDULES TO BE FILED**—Act of 1917 provides that the Insurance Commissioner may make inquiries of rating bureaus in relation to their organization and operation, and may require the filing of schedules, rates, forms, rules, regulations and other information. However, surveys and complete schedules may be required only upon specific complaint being registered with the Commissioner on specified risks.

The Commissioner may examine rating bureaus as often as he deems it expedient, and at least once in three years. Unfair discrimination between risks of like character is forbidden. Competing rates may be authorized by the Commissioner. Notices of variations in rates must be filed ten days in advance with the Commissioner. A rating bureau may consist of one or more insurers, and, when embracing two or more, must admit any other licensed insurer applying for membership. Expenses shall be borne pro rata, and the annual fee must not exceed \$25. Companies must annually report the bureaus in which they are members. All risks specifically rated must be inspected by the bureau making the rate, and a copy of survey must be furnished to the owner or his authorized agent upon request. This law does not apply to South Carolina assessment mutual companies, nor to property protected by automatic sprinklers and insured in connection with any inspection service, nor to rolling stock of railroad corporations or property in transit while in the possession of common carriers, nor to property of common carriers used in carrying freight, merchandise or passengers. A question of discrimination in rates may be referred by the Commissioner to the South Carolina Commission for arbitration. Such Commission, if it deems the profits of a stock fire insurance company, during the last five-year period, unreasonable, may order a general reduction in rates "which will reduce the underwriting profit to a reasonable amount"; but in determining a reasonable underwriting profit the Commission must give proper consideration to conflagration liabilities. Discriminations against non-members of rating bureaus is forbidden. Penalty for violation of this act, suspension or revocation of license.

**RECIPROCAL LAW—None.**

**RECIPROCAL INSURANCE**—Same conditions apply to inter-insurers as apply to corporations.

**REINSURANCE**—Sec. 5 of the Law of Feb. 9, 1900 (Resident Agents) provides that "the provisions of this act shall not be construed so as to prevent any policy, duplicate policy, or contract for reinsurance from being written or placed in any fire insurance company or association which has no agent resident in this State." All reinsurances must be reported annually (or oftener, as required). Penalty for violation, fine of \$500. Reinsurances of South Carolina risks by unauthorized companies in authorized companies are not permitted.

**REINSURANCE RESERVE**—No provision.

**RESIDENT AGENTS**—Act approved Feb. 9, 1900, Sec. 1. "No fire insurance company or association not incorporated under the laws of this State, authorized to transact business herein, shall make, write, place or cause to be made, written or placed, any policy, duplicate policy, or contract of insurance of any kind or character, or any general or floating policy, upon property situated or located in this State, except after the said risk has been approved in writing, by an agent who is a resident of this State, who shall

countersign all policies so issued, and receive the commission thereon when the premium is paid, to the end that the State may receive the taxes required by law to be paid on the premiums collected for insurance on any property located in this State \* \* \*." Railroad rolling stock and property in transit are excepted. Penalty for violation, \$500 for each offense. Act of April 12, 1915. " \* \* \* It shall be unlawful for any insurance company doing business through agents in the State of South Carolina to write, place, or cause to be written, placed or renewed, any fire, marine, \* \* \* automobile property damage, \* \* \* insurance, \* \* \* covering any risk or on property located in the State of South Carolina, except through or by the duly authorized agent or agents of such insurance company or association residing and doing business in this State."

**SEMI-ANNUAL STATEMENTS**—See "Tax Statements."

**STANDARD POLICY**—The standard form recommended by the National Convention is required to be used. Forms and riders to be filed.

**TAXES**—Part of Sec. 2702, Civil Code of 1912, as amended in 1915. "In addition to the annual license fees now provided by law, the Commissioner shall require each foreign fire insurance company of any class licensed by him, not incorporated under the laws of the State of South Carolina, not hereinbefore specifically mentioned, to pay, as an additional and graded license fee, an amount equal to two per centum on the total premiums, *i. e.*, total income or total receipts from the State, less return premiums for cancellation on risks in this State during the time the company has done business in this State since last such return. Such returns shall be made under oath by an executive officer of the company. \* \* \* Provided, That if the executive officer of the company shall file with the Insurance Commissioner a sworn statement, showing that at least one-fourth of the premiums on all policies issued in South Carolina is invested in the securities named in the section; then, and in that case, the additional license fee on premiums collected during the times such investments have been actually made and sustained shall be one and three-fourths per centum; if said investments be one-half of said premium receipts, the additional license fee shall be one and one-half per centum; under like conditions, if the investments shall be three-fourths of said premium receipts, the additional license fee shall be one and one-fourth per centum; if the entire premium receipts be so invested under like conditions, then the additional license fee shall be one per cent: *Provided, further*, That the one-half of the said additional license fee, collected under the terms of this section, is allotted to the several counties, respectively, in proportion to the said premiums collected in said counties, and the same is hereby appropriated to ordinary county purposes, and no additional license fee or county tax or license fee shall be levied on such companies. At the close of the semi-annual period, or as soon thereafter as possible, the Insurance Commissioner shall furnish the State Treasurer a statement showing the amount of said premiums collected by each company in each of the several

counties of the State, and the amount of additional license fees collected thereon; and the State Treasurer, upon a warrant from the Comptroller-General, shall pay unto the County Treasurer of each county one-half of the additional license fee collected, as aforesaid, on the said premiums collected by each insurance company in that county. *Provided*, That nothing in this Act or any other Act, shall be construed as preventing any municipality from levying and collecting license fees or taxes in accordance with its ordinances. The tax levied by Sec. 2702 is collected upon net premiums. The securities referred to are notes or bonds of the State of South Carolina or of counties or municipalities of the State or of subdivisions thereof; or first mortgage bonds of real estate in this State; or first mortgage bonds of solvent domestic or domesticated corporations whose improved property is situated entirely within this State and which are owned and controlled independently of foreign corporations and operated entirely within the State; or deposits in banks of this State maintained continuously for six months preceding date of such return or average daily balances on deposits in banks of this State maintained continuously for six months next preceding the date of such return; or any property situated within the State and returned for taxes therein, at the value at which it is returned. There is a tax of one-tenth of one per cent upon gross premium receipts for the maintenance of the work of investigating incendiary fires, this tax payable semi-annually to the Insurance Commissioner. See "Fire Department Tax."

**TAX STATEMENTS**—Sec. 14. " \* \* \* The returns of the premiums collected shall be made within thirty days after the 30th day of June and the 31st day of December, and if the returns are not so made, the Insurance Commissioner may suspend the license of the company until such returns are made."

**VALUED POLICY**—Law of Feb. 28, 1896, Sec. 1. "That hereafter no fire insurance company or individuals writing fire insurance policies, doing business within this State, shall issue policies for more than the amount of the value of the property to be insured, the value of the property to be insured and the amount of insurance to be fixed by the insurer and insured, at or before the time of issuing said policies, and in case of total loss by fire, the insured shall be entitled to recover the full amount of insurance, and a proportionate amount in case of partial loss; provided, two or more policies written upon the same property shall be deemed and held to be contributive insurance, and if the aggregate sum of all such insurance exceeds the insurable value of the property as agreed by the insurers and insured, in the event of a total or partial loss, each company shall only be liable for its pro rata share of said insurance." After sixty days the insurer is stopped from denying the truth of any statement in the application for insurance, except for fraud. This act does not apply to insurance on chattel or personal property or builders' risks. Penalty for violation, withdrawal of license for three years.

**COUNTY TAXES AND FEES.**

The amount of gross premiums collected in each county by each company is reported by the Insurance Commissioner to the State Treasurer, and one-half of the tax collected on such premiums will be paid by the State Treasurer to the respective County Treasurers.

**MUNICIPAL TAXES AND FEES.**

Act of 1917, Sec. 1. "No municipality shall charge a license fee to fire insurance companies or their agents licensed by the Insurance Commissioner in any other manner than on a percentage of the premiums collected in such municipality, such license fee not to exceed two per cent of the premiums collected in such municipality; except in cities of fifty thousand inhabitants or more, where not exceeding five per cent may be charged." The returns from the various cities and towns indicate that some of them have not yet complied with the State law here quoted.

ABBEVILLE—For each company, \$10, payable yearly from time issued.

AIKEN—For each company, 2 per cent of premiums, payable September 1.

ALLENDALE—For each company, \$5; for each agent, \$5, payable October 1.

ANDERSON—For each company, two per cent of premiums on property in city limits, payable January 1, \$20 on first \$100 premiums, \$1 on additional premiums of \$100.

BAMBERG—For each company or agent, \$10, payable August 1.

BARNWELL—For each agent, \$15, payable September 15.

BATESBURG—For each company, 2 per cent of premiums, payable January 1.

BEAUFORT—For each agency, \$5; for each company, \$5 on first \$500 gross premiums and 50 cents on each additional \$100, payable February 15.

BENNETTSVILLE—For each company, \$10 for \$500 or less of premiums yearly; \$15 for \$500-\$2000; \$20 for over \$2000; payable October 15.

BISHOPVILLE—For each agent, \$10; payable January 1, or when starting business.

BLACKSBURG—For each company, \$10; each agent, \$10, payable May 1.

CAMDEN—For each company 2 per cent net premiums, payable January 1.

CHARLESTON—For each fire company, 5 per cent on gross premiums. Company beginning pays \$50, subject to adjustment at end of year. Marine company pays \$75 for premium receipts of \$1000 or less, and one-half of 1 per cent on premiums if gross premiums exceed \$1000. Payable January 10.

CHERAW—For each company, 2 per cent of premiums, payable January 1.

CHESTER—For each company, 2 per cent of gross premiums, payable Nov. 1.

CLINTON—for each company, \$10; payable March 1.

COLUMBIA—For each company, 2 per cent on gross premiums, payable January 1.

CONWAY—For each company, \$5 for \$500 or less of premiums; \$10 for \$500 to \$1000; \$15 for \$1000 or more, payable July 1.



- DARLINGTON—For each company, 2 per cent of premiums, payable January 1.
- DILLON—For each company, \$10, payable June 30.
- DUE WEST—For each agent, \$3, payable January 1.
- EASLEY—For each company, \$5, payable June 1.
- EDGEFIELD—For each company, 2 per cent of gross premiums; for each agent, \$5. *see Further down 1101 & 1102 in 1920*
- FLORENCE—For each company, \$10 on first \$1000 of premiums, and \$2.50 *33* on each additional \$1000 or fraction thereof, payable June 10. Independent solicitor, \$10; transient solicitor, \$10 per month, *file*
- FORT MILL—For each company, 2 per cent of net premiums.
- GAFFNEY—For each company, \$10, payable March 1; also tax of 11 mills on net premiums, payable March 1.
- GEORGETOWN—For each company, \$10 for first \$1000 or less of premiums, and \$5 for each additional \$1000 or fractional part; for each agency, \$10, payable by April 1.
- GREENVILLE—For each company, two per cent of gross premiums, payable semi-annually June 30 and December 31. Local company with capital stock of \$50,000 pays \$100 per annum for over \$50,000.
- GREENWOOD—For each company, \$10; for each agency, \$15; payable July 1.
- GREER—For each company, \$5, and 1 per cent of premiums exceeding \$500; payable on commencing business.
- HARTSVILLE—For each company, two per cent on gross premiums.
- JOHNSTON—For each agency, \$5; each company, \$5, payable January 1.
- LANCASTER—For each company for \$2000 or less of premium, \$15; for each additional \$1000, \$5, payable January 1.
- LAURENS—For each company, 2 per cent of premiums, payable January 1.
- LEESVILLE—For each company, \$5.
- LEXINGTON—For each company or agent, \$5, payable March 15.
- MCCORMICK—For each company, \$5, payable October 1.
- MANNING—Two per cent on gross premiums per annum, payable by February 15.
- MARION—For each agency, \$15, payable April 30; for each company, two per cent on gross premiums, payable May 1 to November 1.
- MAYSVILLE—For each company, \$5, payable January 1.
- MULLINS—For each company, \$3, payable August 1.
- NEWBERRY—For each company, 2 per cent of premiums, payable January 1.
- NINETY-SIX—For each company, 2 per cent on gross premiums, payable October 1.
- ORANGEBURG—For each company, 2 per cent of premiums, payable quarterly, January 1, April 1, July 1 and October 1.
- PENDLETON—For each company, \$5, payable February 1; also \$2.50 on first \$100 of premiums and 25 cents for each additional \$100.

PICKENS—For each company, \$10 (to be 2 per cent).

RIDGELAND—For each company, \$5.

RIDGE SPRINGS—For each company, \$5.

ROCK HILL—For each company on first \$1000 premiums \$15, for each \$100 additional, 75 cents, payable January 1.

SENECA—For each company, two per cent of premiums, payable March 31.

SPARTANBURG—Each fire insurance company and its agents shall pay 2 per cent on premiums collected, annually. This applies also to each underwriters' association or agency, whether license is paid by parent company or not. Brokers pay \$50 for each company in which they undertake to place insurance on South Carolina property outside the State, on income of \$1,000 or less. *income from property in S.C.*

ST. GEORGE—For each company, 2 per cent of gross premiums; each agent, \$10, payable May 31. *204*

ST. MATTHEWS—For each company, \$5, payable October 1.

SUMMERVILLE—For each company, 2 per cent of premiums, payable June 1.

SUMTER—For each company 2 per cent of premiums, payable during January.

TIMMONSVILLE—For each company, \$15, payable January 1.

UNION—For each company, two per cent of premiums, payable in May.

WALHALLA—For each company, \$15, payable February 1.

WALTERBORO—For each company, \$25, payable annually November 1.

WESTMINSTER—For each company, 2 per cent of premiums, payable annually February 1.

WILLIAMSTON—For each company, 2 per cent of premiums, payable January 1.

WINNSBORO—For each company, 2 per cent of premiums, payable July 1.

YORK—For each company, two per cent of premiums, due August 15.

#### CALENDAR—SOUTH CAROLINA

On or before

Jan.	30	Semi-annual tax statement must be filed. Semi-annual payment of premium tax is due. Semi-annual payment of fire marshal tax is due.
March	1	Annual statement must be filed. Fire Department tax is payable. Fire Department tax statement must be filed.
April	1	Company license must be secured. Agents' licenses must be obtained. Annual license fee is payable.
July	30	Semi-annual tax statement must be filed. Semi-annual payment of fire marshal tax is due. Semi-annual payment of premium tax is due.

# SOUTH DAKOTA.

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## STATE REQUIREMENTS.

**AGENTS DEFINED**—No statutory definition.

**AGENTS' LICENSES**—Agents must procure licenses, which expire March 1, and must be renewed annually after approval of company's statement. Each member of an agency firm must have a license. One license only is required for an agency corporation. Penalty for acting as agent without license, \$200 or sixty days' imprisonment for each offense. Penalty for representing an unauthorized company, fine not exceeding \$200 or two months' imprisonment, or both, for each offense. Domestic county and township mutual companies not required to have licensed agents.

**ANNUAL STATEMENTS**—Must be filed on January 1, or within two months thereafter, showing condition and business for year ending on preceding December 31. Penalty for neglecting to file statement, suspension of business on notification by Commissioner, and \$100 for each week's delay. No statements required other than to Insurance Department.

**ANTI-COINSURANCE**—Coinsurance by a reduced rate average clause is included among clauses which are permitted to be used in connection with the Standard Policy, on request. Application, signed by applicant, and clause, signed by agent, to be attached to policy.

**ANTI-COMPACT**—Section 5, Law of 1919, Chap. 231. No fire, fire and marine, or marine and inland insurance company or association, its agent or representative doing business in this State shall, either directly or indirectly, enter into any contract, agreement, combination or compact with any other such company or companies or its or their agents or representatives for the purpose of establishing or maintaining a general flat advance or reduction of state-wide basic rates, terms, estimates and conditions effecting the cost or premium of fire, lightning and tornado insurance for city, town, village and county property situated in this State, except such agreements as may be filed with and approved by the Commissioner of Insurance. Any such approval by the Commissioner of Insurance may be withdrawn at any time. Provided, however, that any such order by the Commissioner of Insurance may be reviewed by the Circuit Court in Hughes county, upon the petition of any insurer, rating bureau or person interested.

**ANTI-DISCRIMINATION**—Chap. 244, 1913 Session Laws, provides that no insurance company, agent, broker, or solicitor shall offer, allow, or give directly or indirectly any rebate of or part of the premium payable on the policy, or agent's commission, or any other valuable consideration as inducement to insurance which is not specified in the policy contract of insurance. Upon violation of this act the certificate of the company or agent shall be revoked, and upon conviction the offender shall be liable to a fine

of \$200 for each and every violation, or not less than sixty days' imprisonment nor more than six months.

Section 2, Law of 1919, Chap. 231. No fire insurance company or other insurer against the risk of fire or lightning, nor any rating bureau, shall fix or charge any rate for fire insurance upon property in this State which discriminates unfairly between risks in the application of like charges and credits, or which discriminates unfairly between risks of essentially the same hazards and having substantially the same degree of protection against fire.

**ATTORNEY**—The Commissioner of Insurance must be named as attorney to accept service of legal process.

**CANCELLATION OF POLICY**—Five days' notice of cancellation must be given by the company. Company may retain short rates, when policy is canceled by insured, in accordance with table adopted by the Minnesota and Dakota Fire Underwriters' Union; if canceled by company, the latter may retain only pro rata earned premium.

**CAPITAL REQUIRED**—Of other State companies, at least \$100,000; of domestic companies, at least \$100,000.

**COMMISSIONS TO NON-RESIDENTS**—No provision.

**DEPOSIT**—None required of outside companies; domestic stock companies must deposit 50 per cent of capital with the Commissioner of Insurance.

**DOMESTIC COMPANIES**—Insurance Laws, Sec. 578. "Any number of persons, not less than seven, may associate, form and incorporate a company for the following purposes, to wit: To make insurance upon dwelling houses, stores, and all kinds of buildings, and upon household furniture and other property, against loss or damage by fire, lightning, cyclone, tornado or hail, and the risks of inland navigation and transportation. Any and all insurance companies incorporated under the provisions of this act which shall, in a declaration and charter provided to be filed, have expressed an intention to make insurance against loss or damage by the risks of inland navigation or transportation shall have power to make insurance upon vessels, boats, cargoes, goods, merchandise, freights and other property, against loss or damage by all or any of the risks of lake, river, canal and inland navigation and transportation." Articles of incorporation must be filed with the Secretary of State. Each director must own \$500 of stock. See "Deposit."

**EXAMINATIONS**—Insurance Laws, Sec. 603. "It shall be the duty of the State Commissioner of Insurance whenever he shall deem it expedient to do so, in person or by one or more persons appointed by him for that purpose, not officers or agents of, or in any manner interested in, any insurance company doing business in this State, except as policyholders, to examine into the affairs of any company incorporated under any law of this State, or companies of other States or Territories, or any foreign companies doing business by their agents in this State; it shall be the duty of the officers or agents of any such company doing business in this State to cause

their books to be opened for inspection of the Commissioner or persons so appointed, and to otherwise facilitate such examination so far as it may be in their power to do, and pay all reasonable expenses incurred therein, in no case to exceed \$10 per diem and traveling expenses. And for that purpose the said Commissioner, or person or persons appointed by him, shall have the power to examine under oath, the officers and agents of any such company, relative to the business of said company. And whenever the said Commissioner of Insurance shall deem it for the best interests of the public so to do he shall publish the result of such investigation in two newspapers in this State." Penalty for making false statement, revocation of license. License of company found to be in unsound condition shall be revoked.

**FEES**—For filing declaration or certified copy of charter, \$25; for filing annual statement, \$25; for each company's certificate of authority, \$2; certificate for agent of domestic company, 50 cents; of a foreign company, \$2; copies of papers on file, 25 cents per folio; affixing seal, \$1; for examinations, actual expenses incurred, not to exceed \$10 per diem and traveling expenses; for service of legal process, \$2. See "Reciprocal Law." Fees are paid to Commissioner of Insurance, and are turned into the insurance fund in the State Treasury.

**FIRE DEPARTMENT TAX**—State pays two and one-half per cent for foreign stock and mutual companies and one per cent for domestic companies on all premiums received in cities and towns having duly organized fire departments to the town treasurers for the support of the Fire Department. See "Taxes."

**FIRE MARSHAL**—Provision is made for investigation of fires by the Insurance Commissioner and his assistant, who shall perform the duties of the State Fire Marshal. Any person who negligently or carelessly causes a fire or permits a fire to spread is personally liable and shall be punishable by a \$100 fine or imprisonment for thirty days, or both. See "Taxes."

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—Insurance Laws, Sec. 593. "\* \* \* foreign insurance companies shall transmit their statements of business other than that taken in the United States prior to the following first day of May" (covering preceding calendar year).

**GENERAL PENALTY**—See under "Agents Licenses" and "Annual Statements."

**IMPAIRMENT**—Insurance Laws, Sec. 599. "\* \* \* No agent shall be allowed to transact business for any such company whose capital is impaired to the extent of twenty per cent thereof while such deficiency continues." Sec. 604. "And whenever it shall appear to said Commissioner of Insurance from such examination, that the condition of any such company incorporated in this State is not such as to justify the continuance in business of any such company, he may direct the officers thereof to require

the stockholders to pay in the amount of such deficiency within such a period as he may designate in such requisition, or he shall communicate the fact to the State's Attorney, whose duty it shall be to apply to the circuit court of the county in which the principal office of the company shall be located, for an order requiring them to show cause why the business of such company shall not be closed." Impaired companies may reduce their capital to an amount not less than the minimum required by law. License of company in unsound condition must be revoked.

**INVESTMENTS PRESCRIBED—Sect. 583.** " \* \* \* Twenty per cent of the first one hundred thousand dollars of capital stock and ten per cent of any amount in excess of one hundred thousand dollars for which said company may be capitalized must be cash on hand, the remaining amount of said capital must be invested in United States bonds or warrants or in bonds of any county, city, town or school district or in real estate mortgages of any State in which the company is authorized to transact business; also in certificates of deposit in any bank of this State, State, municipal or school bonds, or loans upon unincumbered real property worth at least double the amount loaned thereon; fifty per cent of such loans shall be on South Dakota real estate. An amount equal to fifty per cent of the entire capital shall be deposited with the Commissioner of Insurance for the State of South Dakota." Sec. 586, as amended in 1913. "It shall not be lawful for any insurance company organized under the laws of this State to invest its capital and the funds accumulated in the course of its business, or any part thereof, except in bonds or mortgages on unincumbered real estate worth double the sum loaned thereon, exclusive of buildings, unless such buildings are insured and the policies transferred to the company or trustee under said mortgage at least (50 per cent) fifty per cent of such loans must be on South Dakota real estate, and also such real estate as shall be requisite for its convenient accommodation in the transaction of its business, and also in the bonds of the State, or stocks or treasury notes of the United States; and also the bank stock of national banks, and also in the stock and bonds of any county or incorporated city in the State authorized to be issued by the legislature to loan the same or any part thereof on the security of such stocks, or bonds, or treasury notes, or upon bonds or mortgages as aforesaid and to change and reinvest the same in like securities as occasion may from time to time require; but the surplus money over and above the capital stock of such insurance company, incorporated under any law of this State, may be invested in or loaned upon the pledge of public stocks or bonds of the United States, or of any of the States, stocks, bonds of the United States, or other evidences of indebtedness of any solvent dividend-paying institution, incorporated under the laws of this State or the United States, except their own stock, provided, always, that the market value of such stocks, bonds or evidence of indebtedness shall be, at all times during the continuance of such loan, at least ten per

cent more than the amount loaned thereon. No domestic company may purchase or hold real estate other than that required in satisfaction for debts legally contracted.

**LICENSED BROKERS**—No provision.

**LIMIT ON A SINGLE RISK**—Ten per cent of paid-up capital, net.

**LLOYDS**—No provision.

**MISCELLANEOUS**—Political Code, Chap. 210, Laws 1909, Sec. 14, as amended in 1911 and 1913. "It shall be unlawful for any person, company or corporation in this State, either to procure, receive or forward applications for insurance in or to issue or deliver policies in any company or companies not having been legally authorized to do business in this State, and any person, company, or corporation violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall for each and every offense be punished by a fine not to exceed \$200 or imprisonment for not to exceed sixty days in the county jail or both such fine and imprisonment. And any person, firm or corporation, who shall have solicited and placed insurance in any insurance company not authorized to do business in this State, shall, in the event of the failure of such company to pay any loss or claim under the policy so issued, be liable to the insured for the amount thereof to the extent that such company would have been liable had it been authorized to do business in this State." A law passed in 1911 provides that every fire insurance company doing business in the State, which fails to pay any loss incurred within sixty days after proofs of loss have been filed, shall be liable to a penalty of ten per cent in excess of the actual amount of loss. This penalty does not attach, if a loss is reported to the fire marshal for investigation, until thirty days after such investigation is completed and the companies notified, provided said investigation is completed within ninety days after notification. Sec. 14, Laws of 1913, provides that "Any person, firm or corporation procuring insurance on his, their or its property in this State in any unauthorized insurance company, whether stock or mutual company, Lloyds or interinsurance, exchange or association, shall report the same to the Commissioner of Insurance and shall pay to the State Treasurer five per cent of the gross premiums paid for such insurance as taxes; failure to so report and pay shall be deemed a misdemeanor punishable by a fine not exceeding two hundred dollars (\$200) or by imprisonment in the county jail for not more than sixty days, or both. The Commissioner of Insurance may require a statement under oath from any person, firm or corporation or agent acting for such person, firm or corporation, giving a list of all insurance carried on property in this State owned or controlled by such person, firm or corporation. A failure to comply with his request for such statement within thirty days shall be deemed a misdemeanor punishable by a fine of not more than two hundred dollars (\$200) or imprisonment in the county jail for not more than sixty days, or both, for each

offense. Law of 1917 allows fire insurance companies, stock and mutual, to write automobile insurance.

**MUTUAL COMPANIES**—Provision is made for the organization of State, county and township mutual insurance companies. A State mutual may be incorporated by twenty-five residents collectively owning \$50,000 of personal property and \$50,000 of real estate; a county mutual may be formed by twenty-five persons residing in the same county or in adjoining counties not exceeding seven counties who shall, collectively, own \$25,000 worth of property; and a township mutual may be incorporated by twenty-five residents of not exceeding twenty-five adjoining townships, who collectively own \$25,000 worth of property. A company must have subscriptions for 200 separate risks aggregating at least \$200,000 before beginning business. Mutual companies in order to write hail insurance, must have a reserve of \$10,000. The application blank cannot contain an obligation in the form of a promissory note. Church, mutual fire and tornado insurance companies are not required to be licensed by or report to the Insurance Commissioner.

**PRELIMINARY DOCUMENTS**—Company must file with the Commissioner of Insurance a copy of its charter and by-laws, an anti-compact affidavit, copy of a recent examination, copy of appointment of resident agent, and a statement showing its financial condition.

**PUBLICATION**—Statement must be published at least three times in a newspaper printed and published in each judicial district in which the company shall have policies issued, and proof of publication filed with the commissioner. Statements for publication to be made on blanks furnished by the Commissioner of Insurance. The cost of such publication is \$17.50 per district. There are 12 judicial districts in the State. Affidavit of publication must specify that the amount charged for such publication inures to the benefit of the publisher solely.

**RATE SCHEDULES TO BE FILED**—Section 1, Law of 1919, Chap. 231—The Commissioner of Insurance may address inquiries to any individual, association or bureau, which is or has been engaged in making rates or estimates for rates for fire insurance upon property in this State, in relation to its organization, maintenance or operation, or any other matter connected with its transaction, and may require the filing of schedules, rates, forms, rules, regulations and other information, and it shall be the duty of every such individual, association or bureau, or some officer thereof, to promptly make such filing and reply to such inquiries in writing.

The Commissioner of Insurance may examine any rating bureau as often as he deems it expedient to do so and not less than once every three years. The Commissioner may waive examination upon the filing of such an examination by any other State Department. Every company shall annually on or before March 1, notify the Commissioner as to the rating bureaus of which it is a member.



Every rating bureau shall inspect every risk, make a written survey of each risk and file it as a permanent record. Penalty for violation punishable by a fine of not less than \$100 nor more than \$5,000 and revocation of license. This act shall not comply to county or township mutuals.

**RECIPROCAL INSURANCE**—Chap. 241, Laws of 1919, provides for the formation of reciprocal or inter-insurance associations for exchanging insurance among members. The attorney must file his name and the name under which the contracts are issued, the kind of insurance to be affected, a copy of the policy contract, a copy of the power of attorney, the location, a statement that applications have been made for insurance upon at least one hundred separate risks aggregating not less than \$1,500,000, or a statement that the attorney has possession of an amount equal to fifty per cent of the net annual advance premiums or deposits collected and credited to the accounts of subscribers on policies having one year or less to run, and pro rata on those for longer periods, or in lieu thereof one hundred per cent of net unearned premiums or deposits collected, and a financial statement in form prescribed for the annual statement; also an instrument providing that service upon the Commissioner of Insurance shall be binding upon all subscribers. At any time the Commissioner of Insurance may require a statement of the maximum amount of indemnity upon a single risk, and no greater amount than ten per cent of the net worth of a subscriber may be assumed by such subscriber. The full reinsurance reserve must be maintained in cash or securities, and the minimum assets required is \$50,000. Annual statements of financial condition and business are required, and a reciprocal exchange is subject to examination. A tax of two and one-half per cent is levied, in lieu of all other taxes, upon gross premiums or deposits collected from subscribers in South Dakota, after deducting reinsurance in authorized companies or inter-insurance exchanges and returned premiums paid for cancellations, savings paid and credited to subscribers, other than for losses and expenses; also an additional tax of one-half of one per cent for the Fire Marshal fund. There is a fee of \$25 for filing annual statement, preliminary to admission, and a like sum for filing each annual report, and also \$2 for the issuance of each certificate of authority. The attorney must procure before March 1 yearly a broker's certificate of authority, for which a fee of \$10 shall be paid. Annual statement must be published three times, at rates prescribed by law for legal publications, in each judicial circuit in the State in which the exchange shall have subscribers, and printer's affidavit of publication must be filed with Commissioner of Insurance thirty days after completion.

**RECIPROCAL LAW**—Sec. 671. "When by the laws of any State or Territory any taxes, fines, penalties, licenses, fees, deposits of moneys or securities, or capital requirements, or other obligations, or prohibitions are imposed or would be imposed on insurance companies of this State doing, or that might seek to do, business in such State or Territory, or upon their agents therein, so long as such laws continue in force, the same

obligations and prohibitions, of whatever kind, shall be imposed upon all insurance companies of such State or Territory doing business within this State or upon their agents here."

**REINSURANCE.**—No prohibition of reinsurance in unauthorized companies. No credit is allowed, in calculating taxes, for reinsurance in unlicensed companies.

**REINSURANCE RESERVE.**—Domestic stock companies are required to maintain a reserve of 40 per cent of all premiums in force, and domestic mutual companies a reserve of 25 per cent of annual premiums and 50 per cent of the pro rata on those running more than one year.

**RESIDENT AGENTS.**—Insurance Laws, Sec. 667. "No corporation transacting the business of fire insurance in this State, not incorporated under the laws of this State, shall write or cause to be written any policy of insurance on property located in this State, except through a duly authorized agent of such corporation who shall reside within the State and who shall be licensed by the Commissioner of Insurance according to law."

**SEMI-ANNUAL STATEMENTS.**—None required.

**STANDARD POLICY.**—A new standard form of policy was adopted by the legislature in 1909, following in general the old New York standard form. Penalty for violation of law, \$50 to \$100 for first offense, and \$150 to \$300 for each subsequent offense. The Insurance Department has ruled permitting the use of a combined fire and tornado policy. Proof of policy must first be submitted to Department for approval.

**TAXES.**—Insurance Laws, Sec. 675. "Every fire insurance company doing business in this State except companies organized under the laws of this State, shall, at the time of making the annual statement, pay into the State Treasury as taxes two and one-half per cent of the gross amount of premiums received in this State during the preceding year, taking duplicate receipts therefor, one of which shall be filed with the Commissioner of Insurance, and upon the filing of such receipt, and not until then, shall the Commissioner of Insurance issue the annual certificate as provided by law, and the said sum of two and one-half per cent shall be in full of all such taxes from such insurance company. Provided, that all companies organized under the laws of this State shall, at the time of making the annual statement, pay into the State Treasury as such taxes one per cent of the gross amount of premiums received in this State during the preceding year upon policies issued on property in any city, town or village having an organized fire department as provided in Art. 5, Chap. 16, Political Code of 1903. Provided that nothing herein contained shall be construed so as to exempt the corporate stock or property within this State of any fire insurance company from the provisions of the general revenue laws of the State now in force." No deductions from gross premiums are allowed for amounts paid to unauthorized companies for reinsurance in reporting premiums for taxation; but credit is allowed for return premiums and reinsurances in authorized companies. The Fire Marshal Law of

1907, Sec. 8, provides that each fire insurance company shall annually, on January 1, pay to the Insurance Commissioner, "in addition to the taxes now required by law to be paid by such companies, one-half of one per cent of the gross premium receipts of such companies on all business done in South Dakota the year next preceding."

**TAX STATEMENTS**—Included in annual statements. Must be filed by March 1.

**VALUED POLICY**—Law of 1903. "Whenever any policy of insurance shall be written to insure any real property in this State including structures on land owned by another than the insured, against loss by fire, tornado or lightning, and that property insured shall be wholly destroyed without criminal fault on the part of the insured or his assigns, the amount of the insurance within such policy shall be taken conclusively to be the true value of the property insured, and the true amount of loss and measure of damages."

#### COUNTY TAXES AND FEES.

None.

#### MUNICIPAL TAXES AND FEES.

None.

#### CALENDAR—SOUTH DAKOTA

On or before

March	1	Agents' licenses must be renewed.
		Annual statement must be filed.
		Fire Marshal tax is payable.
		Premium tax is payable.
		Tax statement to be filed (included in annual statement).
		Fire Department tax is payable by S. D. companies.
		Company license must be secured.
		Affidavit of compliance with anti-compact law is required.
May	1	Foreign companies' home office statements to be filed.
June	1	Statement must be published three times in each judicial district where company does business and affidavit of publication filed.

# TENNESSEE.

## STATE REQUIREMENTS.

**AGENTS DEFINED**—Laws of 1907, Chap. 442. "That any person who shall solicit an application for insurance shall, in all matters relating to such application, and the policy issued in consequence thereof, be regarded as an agent of the company issuing the policy and not the agent of the insured, and all provisions in the application and policy to the contrary are void and of no effect whatever. Provided, this act shall not apply to licensed fire insurance brokers." Person receiving commission is an agent. See "Agents' Licenses."

**AGENTS' LICENSES**—Chap. 160, Sec. 31, Acts of 1895. "That it shall not be lawful for any person, or persons, to act as agent or solicit risks, or in any way, directly or indirectly, to transact the business of insurance for and in behalf of any company, whether organized under and incorporated by the laws of this State or not, without obtaining a certificate of authority from the Insurance Commissioner of the State so to do \* \* \*. The certificate herein referred to shall state that said company has fully complied with all the requirements of this act applicable to such company." Penalty for acting without a license, or for allowing any commission to a person not licensed as an agent, fine of not more than \$100 or not less than \$50, and revocation of license. Licenses expire December 31, and must be renewed annually. Agents are personally liable for risks placed in unauthorized companies. Penalties for violation, fine of \$50 to \$100. Penalty for acting for unauthorized company, fine of \$100 to \$200, or imprisonment for not over thirty days, or both. Each member of a firm must have a license, as must also each solicitor, for each company represented. Every corporation which acts as an insurance agent must be licensed for each company it represents, and also each of its solicitors. Applications for license required to be made by company officials, under seal.

**ANNUAL STATEMENTS**—Must be filed on or before February 1, covering the preceding year ending December 31. For good cause the time may be extended to March 1. Penalty for neglect to file statement, \$100 for each day, and license may be suspended, upon notice, during default. Penalty for wilfully making false statement, \$500 to \$1000; and person making oath to such statement is guilty of perjury. A statement concerning capital, etc., must be filed annually, on or before July 1, with the Secretary of State. Licenses of all foreign fire companies expire on April 1.

**ANTI-COINSURANCE**—Chapter 447, Acts of 1909. Sec. 1. "All corporations, firms or individuals doing a fire insurance business in this State shall, with respect to policies issued from and after the passage of this Act on buildings or property in this State, other

than stocks of goods and merchandise and other species of personal property changing in specific and quantity by the usual custom of trade, be bound to pay the full amount of the policy in the event of a total loss of such buildings or property; and provided further, that the provisions of this section shall not be applicable to policies containing a co-insurance clause as authorized hereinafter; and provided further, that the insurer shall have the right to stipulate in the policy the insurable value of the property insured and that any policy containing such stipulation shall be avoided if at the time of the loss the whole amount of insurance on such property shall be in excess of such stipulated insurable value." Sec. 2. "It shall be lawful for corporations, firms or individuals doing a fire insurance business in the State to contract with the assured, in respect of insurance on stocks of goods and merchandise and other species of personal property changing in specifics and quantity by the usual custom of trade, that in the event of loss the insurer shall not be liable for an amount greater than three-fourths of the actual cash value of the property covered by each item of the policy at the time of such loss, and that in the case of other insurance, and whether the policies are concurrent or not, the insurer shall be liable only for its pro rata proportion of such three-fourths value, and in no event for an amount greater than the sum insured by the policy; provided, however, that such contract shall not be binding on the assured unless its presence in the policy is indicated by the words 'Three-fourths value Contract,' printed or stamped in capital letters, and in red ink, across the face of the policy." Sec. 3. "It shall be lawful for corporations, firms or individuals doing a fire insurance business in this State to contract with the assured that the assured shall during the life of such contract, maintain insurance upon the property insured to the extent of an agreed proportion of the actual cash value of the property at the time that a fire occurs, and that the assured, if he shall fail to do so, shall be a co-insurer to the extent that his insurance then in force is less than the amount of such agreed proportion, and to that extent shall, as such co-insurer bear his part of any loss; provided, however, that the acceptance of such contract shall be optional with the assured, which will be conclusively presumed if its presence in the policy is indicated by the words 'Co-insurance Contract' printed or stamped in capital letters, and in red ink across the face of the policy."

**ANTI-COMPACT—**Chap. 479, Acts of 1905. Sec. 1. "That it shall be unlawful for any two or more fire insurance companies doing business in Tennessee, or any two or more agents, or representatives of fire insurance companies doing business in Tennessee, to enter into any contract, compact or agreement looking to the maintaining of any specific rates to be charged for insurance on any property located in this State. Provided, that this act shall not be so construed as to prohibit the formation of associations of fire insurance agents in any city, town or county in this State for the purpose of minimizing expenses by the employment of joint

inspectors or experts for preparing rating schedules and designating improvements, with a view to the reduction of the cost of insurance; provided, that all rates which may be suggested through such associations shall be advisory only, and not binding on any member thereof; provided, further, that if any board of agents, or agent or company attempt to impose any fine upon any agent or company who shall refuse to write at any rate other than that fixed by such board shall be guilty of a misdemeanor and subject to a fine not less than \$50." Sec. 2. "That it shall be unlawful for any one or more agents, or association of fire insurance agents in any city, town or county of this State to impose any penalty upon any agent because of any rate which may be charged for insurance by said agent or any member of said association." Sec. 3. "That any fire insurance company doing business in Tennessee found guilty of a violation of Sec. 1 of this act shall be subject to a penalty in a sum of not less than \$100 nor exceeding \$1000, \* \* \* and in addition the company so offending shall be subject to the revocation of its license to do business in this State, in the discretion of the Insurance Commissioner." Sec. 4. "That any agent or officer of any association of agents violating the provisions of Sec. 2 of this act shall be guilty of a misdemeanor and shall, upon conviction, be fined not less than \$100 nor more than \$500." The Insurance Commissioner, upon complaint of any citizen of the State, or upon his own initiative, may investigate as to violations of this act.

**ANTI-DISCRIMINATION**—Chap. 24, Laws of 1919. No fire insurance company or other insurers against the risks of fire, lightning or wind-storm or their agents shall fix, charge or collect any rate or premium of insurance upon property in this State which discriminates unfairly between risks under the application of like charges and credits or which discriminates unfairly between risks of essentially the same hazards and having substantially the same degree of protection against fire.

Chap. 176. Sec. 1. It shall be unlawful for any insurance company or agent to pay or allow or offer to pay or allow as an inducement to insurance any rebate of premium payable on the policy or any special favor or advantage under dividends or other benefits to accrue thereon, or any valuable consideration or inducement whatever not specified under the policy of insurance. See "Rate Schedules to be Filed."

**ATTORNEY**—The Insurance Commissioner must be authorized to accept service of legal process. Companies not licensed in the State, but doing business through licensed brokers, must agree to appoint an attorney in any county in which a loss claimant resides who wishes to begin suit, or in the county where the loss occurs.

**CANCELLATION OF POLICY**—No law on this subject.

**CAPITAL REQUIRED**—Company must possess at least \$100,000 capital or surplus above all liabilities, which must be certified to be well invested by the Insurance Commissioner of the State in which the company was organized.

**COMMISSIONS TO NON-RESIDENTS**—Commissions must be received by resident agents, and no division is permitted except with other licensed agents, except that an interpretation of the law by the Insurance Commissioner permits a resident fire insurance agent to receive business from and divide commissions with a non-resident of the State, if the latter holds a "Non-Resident Certificate of Authority" issued to him by the Tennessee Insurance Department in behalf of the company in which the business is written. See "Agents' Licenses." Statements must be filed by agents by April 1, yearly, showing all to whom commissions have been paid.

Chapter 152, Law of 1919, provides for the licensing of non-resident agents to place insurance policies or contracts on property of persons located in this State with resident local agents, the commission not exceeding 5 per cent of the premium, may be paid by any resident agent to a holder of such license.

**DEPOSIT**—None required, except that companies of foreign countries must have at least \$200,000 deposited with the proper official of one of the United States. (Nature of securities not specified.)

**DOMESTIC COMPANIES**—Chap. 160, Sec. 13, Acts of 1895. " \* \* \* Insurance companies other than life, chartered by the laws of this State, shall not be allowed to transact business in this State unless possessed of at least \$50,000 paid-up actual cash capital; or in lieu of cash capital, a surplus, above all liabilities, including reinsurance reserve, of not less than \$50,000; it being understood that this section does not apply to companies organized under the laws of this State prior to the passage of this act, and actually engaged in the transaction of insurance business."

**EXAMINATIONS**—A domestic company must be examined at least once in three years, and also upon request of five or more stockholders or persons pecuniarily interested therein, with affidavit of their belief, and reasons therefor, that the company is in unsound condition. Other State and foreign companies may be examined when the Commissioner deems it advisable. "Any insurance company examined under the provisions of this act shall pay the proper charges incurred in such examination, including the expenses of the Insurance Commissioner, or his deputy, and the expenses and compensation of his assistants employed therein; the compensation of no expert for examining the books or business of any local company shall exceed \$10 per day." Mutual companies may be examined on the request of five members, or two directors, or the president or the secretary. If a "foreign" company is found to be in unsound condition, its license may be revoked. Domestic companies may be restrained by an injunction, should this be deemed necessary by the court. Penalty for obstructing examination, fine of not more than \$500.

**FEES**—For each company filing copy of charter or deed of settlement and financial statement, \$30; for each statement, \$15; for certificate or renewal thereof to an insurance agent (license required for each member of a firm,

or agency), \$2; for each seal of office, with certificate, \$1; for copies of papers on file, 20 cents per folio; for filing copy of charter and other preliminary papers, assessment mutual companies, \$15; for filing annual statement, assessment mutual companies, \$10. Reciprocal provision. Examinations, proper charges; no expert to receive over \$10 per day for examining any local company. The foregoing fees are payable to the Insurance Commissioner. On admission, a stock company files a certified copy of articles of incorporation with the Secretary of State and pays him a fee of \$20, also paying him a privilege tax of \$100, the latter being in lieu of the former tax on capital stock. An annual tax upon authorized capital stock is payable to the Secretary of State as follows: \$5 on capital of \$25,000 or less; \$10 on \$25,001 to \$50,000; \$20 on \$50,001 to \$100,000; \$30 on \$100,001 to \$249,999; \$50 on \$250,000 to \$499,999; \$100 on \$500,000 to \$999,999; \$150 on \$1,000,000 or more. Domestic companies pay one-tenth of one per cent on authorized capital stock.

**FIRE DEPARTMENT TAX**—See "Taxes."

**FIRE MARSHAL**—Provision is made for investigation of fires by the Fire Prevention Commission. (Act of 1915.)

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—None required.

**GENERAL PENALTY**—Chap. 160, Sec. 12. "That the authority of a foreign insurance company may be revoked if it shall violate or neglect to comply with any provision of law obligatory upon it \* \* \*." Chap. 160, Sec. 36. "That for violation of any provision of this act, the penalty whereof is not specifically provided herein, the offender shall be punished by a fine of not more than five hundred (\$500) dollars."

**IMPAIRMENT**—Chap. 160, Sec. 6. "That whenever it appears to the Insurance Commissioner that the capital stock of a domestic insurance company is impaired to the extent of twenty per cent or more, he shall notify the company that its capital is legally subject to be made good; and if such company shall not, within sixty days after such notice, satisfy him that it has fully repaired its capital, or reduced its capital, as provided by law, he shall institute proceedings against it in accordance with the preceding section." See "General Penalty."

**INVESTMENTS PRESCRIBED**—Capital and surplus funds must be invested in "good available securities."

**LICENSED BROKERS**—Chap. 160, Sec. 41. "That none but bona fide residents of this State, of good moral character and competent business qualifications, shall be licensed as insurance brokers. \* \* \*" Brokers must take oath to deal justly and uprightly and not attempt to deceive customers as to standing of companies. They must file copies of the charters and statements of companies which they intend to do business with, and pay the same fees required of regularly authorized companies. Brokers must file tax statements, verified by company officials, and failure to file such statement, or to pay a loss judgment, or the insolvency of the



company, forfeits its right to do business through the broker. Broker must file bond of \$1,000 to secure payment of taxes. Penalty for violation, fine of \$100 or more, or imprisonment for at least 30 days, or both. Provision is made by Law of 1919, Chapter 152, for the licensing of non-resident agents to place insurance on property within this State; license fee, \$50. Provision is made for resident agents to place excess lines in unlicensed companies. (Chapter 152 was held unconstitutional in June, 1920).

**LIMIT ON A SINGLE RISK—None.**

**LLOYDS—**Chap. 160, Sec. 15. "That associations of individuals, citizens of the United States, whether organized within the State or elsewhere within the United States, formed upon the plan known as Lloyds, whereby each associate underwriter becomes liable for a proportionate part of the whole amount insured by policy, may be authorized to transact insurance other than life in this State, in like manner and upon the same terms and conditions as are required of, and imposed upon, insurance companies of the United States or one of the United States; provided, however, that all such Lloyds, whether organized within this State or elsewhere, shall make the same deposit and upon the same terms and conditions as is required by Sec. 10 (that company must have deposit of \$200,000 with some State of the United States) of foreign insurance companies incorporated, or associated under the laws of any government or State other than the United States or one of the U. S."

**MISCELLANEOUS—**No misrepresentation shall be deemed material unless made with actual intent to deceive, or unless the matter represented increase the risk of loss. A penalty of twenty-five per cent on the liability on a loss may be imposed for non-payment within sixty days, if refusal to pay is made in bad faith; while a policyholder bringing suit for such penalty, and not in good faith, shall, in case of non-recovery from the company, be liable to a similar penalty. Judgment for attorneys' fees against insurance company when losing case. Act of 1901, Chap. 141. No officer or director of any domestic company may accept any fee, brokerage or commission on account of any loan, sale, etc., for such company.

**MUTUAL COMPANIES—**Chap. 463, Acts 1907, provides for the organization and operation of county mutual fire insurance companies. Such a company is required to have bona fide applications by not less than twenty-five citizens for not less than \$50,000 of insurance, not more than \$1000 of any one risk being subject to one fire, before it can be licensed to do business. Such company cannot do business outside of the county of its domicile until it has \$300,000 of insurance in force. The premium liability of policyholders in county mutuals is unlimited. Chap. 108, Acts of 1919, provides for the organization and operation of State mutual fire insurance companies. Before a license is issued to a State mutual fire insurance company, it is required to have bona fide applications for not less than \$250,000 of insurance. A State mutual may limit the premium liability of the policyholder to the cash annual premium and in addition an equal amount

as a contingent premium. Both the cash and the contingent premium are required to be plainly written in the policy. In lieu of the amount of bona fide applications a State mutual fire insurance company may be organized with a paid-up guaranty capital of not less than \$25,000. Laws of 1919. None of said guarantee capital shall be retired until the net surplus exclusive of reinsurance reserve reaches \$50,000, and its retirement after that time shall be optional with the board of directors. Chap. 462, Acts 1907, provides for the admission and regulation of mutual fire insurance companies of other States. Before such company can be licensed to do business in Tennessee it is required to have and maintain in admitted assets over and above liabilities, including reinsurance reserve, not less than \$50,000, and in addition it must have and maintain contingent assets of not less than \$150,000, or, in lieu of the above, must have and maintain a net cash surplus of not less than \$100,000. Such a company is required to file copy of charter, financial statement, power of attorney and appoint agents as stock companies are required to do.

**PRELIMINARY DOCUMENTS**—Company must file a certified copy of charter, a certificate of the Insurance Commissioner of the State where located, to the effect that it has authority to do the character of business in such State it desires to do in Tennessee (required annually, with annual statement), and a verified statement showing its condition December 31 preceding. Company must also file a copy of its charter with the Secretary of State. Certificate of deposit. Power of attorney, executed at home office, on Department blank, authorizing Commissioner of Tennessee to acknowledge service of process. Certified copy of deed of trust and appointment of United States trustees. Certified copy of power of attorney to United States managers.

**PUBLICATION**—None obligatory. When assets are published, liabilities must be made equally conspicuous; and no capital except that paid up shall be advertised. Penalty for violation, \$100 to \$500.

**RATE SCHEDULES TO BE FILED**—Chap. 24, Laws of 1919, Sec. 2. \* \* Commissioner of Insurance may require the filing of schedules, rates, forms, rules and regulations and such other informations as may be required of any insurance company or other insurer or agents, and such company or other insurers or other agents shall promptly make reply to such inquiry in writing. Insurance Commissioner may also require the insured to submit any policy of insurance to him for inspection. Penalty for violation of this Act not less than \$100 nor more than \$500 and revocation of license upon conviction. See "Anti-Discrimination."

**RECIPROCAL INSURANCE**—Chap. 160, Sec. 1. "When consistent with the context, and not obviously used in a different sense, the term 'company' or 'insurance company,' as herein used, includes all corporations, associations, partnerships, or individuals engaged as principals in the business of insurance." Individuals, partnerships and corporations of Tennessee, designated as subscribers, are, by law of 1915, authorized to

exchange reciprocal or inter-insurance contracts with each other or with individuals, partnerships and corporations of other States and countries providing indemnity among themselves from any loss which may be insured against under other provisions of the law, excepting life insurance. Contracts may be executed by an attorney acting for such subscribers. Subscribers must make a declaration as set forth by law; and stating that applications have been made for insurance upon at least seventy-five separate risks aggregating at least \$1,500,000; must deposit with the attorney for payment of losses not less than \$25,000. Insurance Commissioner must be appointed as agent for service of process. Attorney must file under oath, with the Insurance Commissioner, statement showing maximum amount of indemnity upon any single risk. The reserve fund in cash or convertible securities must be maintained equal to one-half of the net annual deposits collected and credited to the accounts of the subscribers on policies having one year to run and pro rata on longer contracts. This reserve fund shall at no time be less than \$50,000. The annual report must be made showing the exchange's condition. Attorney filing annual report shall pay as an annual license fee \$30 and a tax of two and one-half per cent of the gross premium or deposits received from Tennessee subscribers during the calendar year, deducting all amounts returned to subscribers or credited to their accounts.

**RECIPROCAL LAW**—Chap. 160, Sec. 20. "That whenever the existing or future laws of any other State of the United States shall require insurance companies incorporated by, or organized under, the laws of this State, or the agent thereof, any deposit of securities in such State for the protection of policyholders, or otherwise, greater than the amount required for similar companies of other States by the then existing laws of this State, then in every such case all companies of such States establishing, or having heretofore established, an agency or agencies, in this State, shall be, and are hereby required, to make the same deposit for a like purpose with the Treasurer of the State, and to pay into the treasury of this State the taxes, fines, penalties, license fees, or otherwise, an amount equal to the amount of such charges and payments imposed by law of such State upon companies of this State and the agents thereof."

**REINSURANCE**—No statutory prohibition of reinsurance in unauthorized companies, but no credit is allowed in reporting premiums for taxation, for reinsurances in companies not licensed to do business in Tennessee. If an authorized company reinsures in other authorized companies, it is permitted to deduct from gross premiums return premiums to policyholders and also the amount paid to authorized companies for reinsurance premiums. Licensed company shall not accept reinsurance on Tennessee risks from an unlicensed company.

**REINSURANCE RESERVE**—Fifty per cent of premiums received on risks having not more than one year to run, and pro rata for longer terms.

**RESIDENT AGENTS**—Licensed resident agents may procure insurance in unauthorized insurance companies after having exhausted the capacity of all authorized companies and by making oath with the Insurance Commissioner that the desired insurance cannot be obtained in any authorized company. Agents shall pay all taxes as required by authorized companies and make a statement of all business done in unauthorized companies on or before March 1.

Chapter 163, Laws of 1919. Provides that it shall be unlawful for any company to write or cause to be written any policy or contracts of insurance on property located in this State except through the licensed local resident agents who shall countersign and record such contracts or policies of insurance and receive full commission usually paid on business of the same classification in this State. Insurance on rolling stock of railroads or other common carriers or goods transit or for delivery is excepted. Licensed resident agents are forbidden to sign policies in blank. Penalty for violation, revocation of license.

**SEMI-ANNUAL STATEMENTS**—See "Taxes."

**STANDARD POLICY**—None.

**TAXES**—All fire and marine companies shall pay  $2\frac{1}{2}$  per cent on gross premiums paid by or for policyholders residing in this State or on property in this State, payable semi-annually January and July on sworn returns. In addition to tax of  $2\frac{1}{2}$  per cent, fire and marine companies shall pay  $\frac{1}{2}$  of 1 per cent on gross premiums for the purpose of executing the Fire Marshal law, which shall be paid at the same time and the same as the tax of  $2\frac{1}{2}$  per cent herein provided.

Deductions for return premiums and reinsurance premiums paid to authorized companies are allowed. Original writing companies are held responsible for all business written. Penalty for failure to make prompt and correct returns and payments, \$500; for sixty days' failure, revocation of license until taxes and penalties are fully paid. Licensed brokers must pay the same tax on gross premiums as do authorized companies, and in the same manner and time. Each agent, including each member of an agency firm, must pay \$20 yearly in counties having 100,000 or more population; in those having from 60,000 to 100,000 population, \$15; in less than 60,000, \$10. Tax is for calendar year. Agents beginning business before April 1 pay full amount; between April 1 and July 1, three-fourths; between July 1 and October 1, one-half; after October 1, one-quarter. Companies of other States and countries which have ceased transacting new business in Tennessee, are required to pay taxes as long as any renewal premiums are received on business in the State. Credit is allowed for reinsurance in authorized companies, as well as return premiums. A tax of one-half of one per cent on premium receipts of fire insurance companies is levied to cover expense of investigating fires. Chapter 541, Acts of 1907, prescribes that the two and one-half per cent tax on premiums shall be paid direct to the Insurance Commissioner, and shall be in lieu of all other privilege taxes.

**TAX STATEMENTS**—To be filed in January and July. Reports to Secretary of State are due July 1. (See "Fees.")

**VALUED POLICY**—See "Anti-Coinsurance."

### COUNTY TAXES AND FEES.

None.

### MUNICIPAL TAXES AND FEES.

**CLINTON**—For each agent, \$10.

**MEMPHIS**—Salvage Corps, 1¾ per cent on net premiums.

**NASHVILLE**—For each agent, \$10.

**NEWPORT**—For each agent, \$10.

### CALENDAR—TENNESSEE

On or before

Jan.	1	Affidavit of compliance with Resident Agents Law must be filed.
		State privilege tax on local agents is due.
Jan.	31	Semi-annual fire marshal tax is payable.
		Semi-annual tax statement must be filed.
		Semi-annual premium tax is payable.
Feb.	1	Annual statement must be filed (time may be extended to March 1).
		Agents' licenses must be obtained.
		Certificate of compliance is required.
April	1	Company license must be secured and also copy of certificate for each local agent.
July	1	Tax on capital stock is payable to Secretary of State.
		Capital stock tax statement to be filed with Secretary of State.
July	31	Semi-annual fire marshal tax is payable.
		Semi-annual tax statement must be filed.
		Semi-annual premium tax is payable.

# TEXAS.

## STATE REQUIREMENTS.

**ADJUSTERS' LICENSES**—The Commissioner rules that adjusters are agents of the companies and as such must be licensed.

**AGENTS DEFINED**—Chap. 21, Sec. 454, Digest, 1917. "Any person who solicits insurance on behalf of any insurance company, whether incorporated under the laws of this or any other State or foreign government, or who takes or transmits other than for himself any application for insurance, or any policy of insurance, to or from such company, or who advertises or otherwise gives notice that he will receive or transmit the same, or shall receive or deliver a policy of insurance of any such company, or who shall examine or inspect any risk, or receive or collect or transmit any premium of insurance, or make or forward any diagram of any building or buildings, or do or perform any other act or thing in the making or consummating of any contract of insurance for or with any such insurance company other than for himself or who shall examine into or adjust or aid in adjusting any loss for or on behalf of any such insurance company, whether any of such acts shall be done at the instance or request or by the employment of such insurance company, or of or by any broker or other person, shall be held to be the agent of the company for which the act is done or the risk is taken, so far as relates to all the liabilities, duties, requirements and penalties set forth in this act; provided, that the provisions of this act shall not apply to citizens of this State who arbitrate in the adjustment of losses between the insurers and the assured, nor to the adjustment of particular or general average losses of vessels or cargoes by marine adjusters who have paid an occupation tax of two hundred dollars for the year in which the adjustment is made; provided, further, that the provision of this act shall not apply to practicing attorneys-at-law in the State of Texas acting in the regular transaction of their business as such attorneys-at-law, and who are not local agents nor acting as adjusters for any insurance company." For definition of "general agent" see "Taxes."

**AGENTS' LICENSES**—Agents must procure licenses, which expire on the last day of February. License required for each member of firm. Acting for unlicensed company renders agent personally liable for the same taxes as are paid by admitted companies, and to the holder of any policy issued through him by such company for any loss sustained thereunder, and to be fined \$500 for the first, and \$1000 for each subsequent offense, with imprisonment as an alternative, or both. Penalty for doing business without license, fine of \$500 to \$1000, and imprisonment for three to six months. Applications for licenses must be made by company officers, under seal, when agents are appointed. No license will be issued to an agency corporation. All agents' licenses are issued only to individuals.

**ANNUAL STATEMENTS**—Must be filed with Commissioner of Insurance and Banking within sixty days after January 1, showing condition as of December 31 preceding (none other required). Domestic companies must file statements "annually, after the first day of January of each year, and before the renewal of its authority to transact business." Printers' and county mutual companies must report by last day of February.

**ANTI-COINSURANCE**—Chap. 9, Sec. 236, Digest of 1917. "No company subject to the provisions of this chapter may issue any policy or contract of insurance covering property in this State which shall contain any clause or provision requiring the assured to take out and maintain a larger amount of insurance than that expressed in such policy, nor in any way providing that the assured will be liable as a co-insurer with the company issuing the policy for any part of the loss or damage which may be caused by fire to the property described in the policy, and any such clause or provision shall be null and void and of no effect. The coinsurance clauses and provisions may be inserted in policies written upon cotton, grain or other products in process of marketing, shipping, storing or manufacture."

**ANTI-COMPACT**—Chap. 24 is an anti-trust measure.

**ANTI-DISCRIMINATION**—Chap. 9, Sec. 210-11, Digest of 1916, prohibits the giving or receiving of rebates. Penalty for insured accepting such rebates fine not exceeding \$100 or imprisonment for ninety days, or both; for company, fine of from \$300 to \$1000. Discrimination is also forbidden.

**ATTORNEY**—A resident of the State must be appointed to accept service of legal process.

**CANCELLATION OF POLICY**—No provision. The Insurance Department rules that when a policy is taken up after a fire pro rata return premium must be paid for the unexpired term.

**CAPITAL REQUIRED**—A foreign company must possess at least \$100,000 of actual capital, safely invested. Provision is made for domestic and foreign mutual companies, without capital. (Chap. XVI.)

**COMMISSIONS TO NON-RESIDENTS**—Commissions must be received by resident agents. See "Resident Agents."

**DEPOSIT**—Chap. IX, Sec. 173, Digest of 1917. "Every fire insurance company not organized under the laws of this State applying for a certificate of authority to transact any kind of insurance in this State shall, before obtaining such certificate, file with the Commissioner of Insurance and Banking, a bond, with good and sufficient surety or sureties to be approved by the Commissioner of Insurance and Banking, payable to the Commissioner of Insurance and Banking, and his successors in office, in a sum equal to 25 per cent of its premiums collected from citizens or upon property in this State during the preceding calendar year, as shown by its annual report for such year; provided, however, the bond in no case shall exceed fifty thousand dollars, nor be less than ten thousand dollars, con-

ditioned that said company will pay all its lawful obligations to citizens of this State. Such bonds shall be subject to successive suits by citizens of this State so long as any part of the same shall not be exhausted and the same shall be kept in force unimpaired until all claims of citizens of this State arising out of obligations of said company have been fully satisfied." Sec. 174. "Such bonds shall provide that in the event the company shall become insolvent or cease to transact business in this State at any time when it has outstanding policies of insurance in favor of citizens of this State, or upon property in this State, the Commissioner of Insurance and Banking shall have the power, after having given ten days' notice to the officers of such company or any receiver in charge of its property and affairs, to contract with any other insurance company transacting business in this State for the assumption and reinsurance by it of all the insurance risks outstanding in this State of such company which is insolvent or which has ceased to transact business in this State, which contract shall also provide for the assumption by such reinsuring company of all outstanding and unsatisfied lawful claims then outstanding against such company which has become insolvent or ceased to transact business in this State, and in the event of the Commissioner making any such contract, and if the same shall be approved as reasonable by the Attorney General and the Governor of this State the reinsuring company shall be entitled to recover from the makers of such bond the amount of the premium or compensation so agreed upon for such reinsurance." Sec. 175. "Any company desiring to do so may at its option, in lieu of giving the bond required by this section, deposit securities of any kind in which it may lawfully invest its funds with the State Treasurer of this State upon such terms and conditions as will in all respects afford the same protection and indemnity as is herein provided for to be afforded by said bond." Sec. 177. "Every fire insurance company not organized under the laws of this State, hereafter issuing or causing or authorizing to be issued any policy of insurance other than life insurance, shall first have filed with the Commissioner of Insurance and Banking during the calendar year in which such policy may issue or authorize or cause to be issued a bond of good and sufficient sureties to be approved by such Commissioner in a sum not less than ten thousand dollars, conditioned for the payment of all lawful obligations to citizens of this State arising out of any policies or contracts issued by such fire insurance company, which such bond shall be subject to successive suits by citizens of this State so long as any part of the same shall not be adjusted and so long as there remains outstanding any such obligations or contracts of such fire insurance company. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor, and upon conviction shall be punished by a fine of not less than one hundred nor more than five hundred dollars or by imprisonment in the county jail for not less than three nor more than twelve months, or by both such fine and imprisonment. This act shall not apply to any person,



firm or corporation or association doing an interinsurance, cooperative or reciprocal business."

**DOMESTIC COMPANIES**—Chap. 3, Sec. 49. "Any number of persons desiring to form a company for the purpose of transacting insurance business shall adopt and sign articles of incorporation and submit the same to the Attorney-General, and if said articles shall be found by him to be in accordance with the laws of this State, and of the United States, he shall attach thereto his certificate to that effect, whereupon such articles shall be deposited with the Commissioner of Insurance and Banking." Sec. 50. "Such articles shall contain the name of the company, and the name selected shall not be so similar to that of any other insurance company as to be likely to mislead the public, the locality of the principal business office of such company, the kind of insurance business which the company proposes to engage in, the amount of its capital stock, which shall in no case be less than \$100,000." There must be from seven to thirteen directors. Domestic companies are governed by the laws relating to companies in general, when not inconsistent with the particular provisions regulating the former.

**EXAMINATIONS**—Sec. 37. "The Commissioner of Insurance and Banking, for the purpose of examination authorized by law, has power, either in person or by one or more examiners by him commissioned in writing, \* \* \* to visit, at its principal office, wherever situated, any insurance company doing business in this State, for the purpose of investigating its affairs and conditions, and shall revoke the certificate of authority of any such company in this State refusing to permit such examination." License of company may be revoked or modified for any non-compliance with law. Domestic mutual companies must be examined biennially.

**FEES**—Every copy of paper on file, 15 cents per 100 words, in English; in other languages, 25 cents; translations, 30 cents; for filing declaration or certified copy of charter, \$25; for filing annual statement, \$20; for certificate of authority, \$1 (for company, no charge for agents' licenses); for affixing certificate and seal, \$1; for certificate not provided for, 50 cents; for official examination, actual expenses incurred; for two certificates of compliance (for publication), \$1; licensed brokers, \$25; domestic mutuals for obtaining charter, \$20; for license, \$1; for filing annual statement, \$10 (printer's or county mutual company, \$5). Fees payable to the Insurance Commissioner. (See "Taxes.")

**FIRE DEPARTMENT TAX**—No provision.

**FIRE MARSHAL**—Provision is made for the investigation of fires, etc., by a State Fire Marshal, who shall be a member of the State Insurance Commission.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—In a letter dated July, 1915, the Commissioner said: "There is no provision in our laws requiring foreign companies to file their home office statement in this Department. Companies doing business in Texas therefore exercise their own discretion as to whether or not they will file such a statement in this Department."

**GENERAL PENALTIES**—Chap. 21, Sec. 453, Digest of 1917. "If any person shall violate any provision of the laws of this State regulating the business of life, fire or marine insurance, he shall be punished by fine of not less than \$500, nor more than \$1000." Penalty for non-payment of final judgment longer than thirty days, revocation of license until execution is satisfied.

**IMPAIRMENT**—If the capital stock of a company is impaired to the extent of twenty per cent, the company must make good its whole capital stock within sixty days, or cease to do business in the State. The Commissioner may permit the reduction of capital of domestic companies, under restrictions, to an amount not less than \$100,000.

**INVESTMENTS PRESCRIBED**—The capital stock of a company shall consist in lawful money of the United States, or in bonds of Texas or any county or incorporated town or city thereof, or stock of any national bank, or in first mortgages on real estate in Texas, worth double the amount loaned thereon. Surplus funds may be invested in or loaned upon the pledge of public stocks or bonds of the United States, or any of the States, or stocks and bonds or other evidences of indebtedness of any solvent dividend-paying corporation, or in bills of exchange or other commercial notes or bills, except its own stock, provided, always, that the current market value of such evidences of indebtedness shall at all times during the continuance of such loans be at least twenty per cent more than the sum loaned thereon. Mutual companies may invest in mortgages, bonds of State of Texas, or of any county, city, town or school district in Texas. Domestic companies may hold only such real estate as is requisite for the convenient accommodation of their business, and such other real estate as is acquired under foreclosure or in satisfaction of debts.

**LICENSED BROKERS**—A regularly licensed agent of one or more companies may be authorized to place excess lines in unauthorized companies, after the party desiring such excess insurance has filed an affidavit that the capacity of the authorized companies has been exhausted. A fee of \$25 is charged for this license, and the agent must file a bond for \$1000, and must report gross premiums received for such excess insurance semi-annually, on January 31 and July 31, and pay a tax of five per cent thereon. The Attorney-General has ruled that no payments of commission on Texas business may be made to anyone not licensed as a broker in Texas.

**LIMIT ON A SINGLE RISK**—Ten per cent of paid-up capital (except on cotton in bales and grain) net, after reinsurance in authorized companies. "One Risk" means one building.

**LLOYDS**—No specific provision.

**MARINE INSURANCE REQUIREMENTS**—As to marine insurance companies the requirements only differ from those concerning fire insurance companies in that the latter are obliged to file a bond. This is not required of a purely marine company.

**MISCELLANEOUS**—No suit under a policy must be taken to a United States court. Penalty for violation, forfeiture of license and non-renewal.

of same for three years. No fire insurance company is permitted to transact life or health insurance. Companies issuing joint policies must all comply with the laws of the State. Immaterial misrepresentations do not void policies. Company licenses expire on last day of February. License shall be revoked on failure to pay judgment within 30 days after notice of execution issued thereon. No policies are allowed to have any allusion to a lien on property insured. An act of the 1913 legislature provides that breach of warranties in fire policies on personal property constitutes no defense unless same contributed to the loss. Judgment for attorneys' fees against insurance company when losing case. (R. S., Art 3701. Art 3096, 1895.) Companies in process of promotion are subject to supervision by the Commissioner of Insurance and Banking. Regulation of the consolidation of companies is provided for under law of 1919.

**MUTUAL COMPANIES**—May be organized by seven or more residents of the State. Company must secure 100 applicants, each owning real estate worth \$1000; and a cash payment of not less than fifty per cent of the first premium must be made. Charters are issued by Insurance Commissioner, and he certifies as to correctness of notes and applications. Expenses must not exceed thirty-five per cent of the annual premiums. Other State companies must have \$100,000 in excess of liabilities (Chap. 16).

**PRELIMINARY DOCUMENTS**—Company must file certified copy of charter with all amendments, name and residence of each of its officers, directors and members, certificate of compliance, a schedule of Texas agents, an attested copy of its last annual statement, a certificate of deposit, and an affidavit of compliance with resident agents' law. Certificate of compliance with laws of company's home State required annually, within sixty days after January 1.

**PUBLICATION**—Certificates of authority must be published annually, within thirty days after issuance, for three successive weeks in two newspapers printed in the State; evidence of publication must be filed with Commissioner.

**RATING SCHEDULES TO BE FILED**—The Law of 1910 was repealed in 1913 and a State Fire Insurance Commission was instituted to replace the State Rating Board. Chap. 9, Sec. 187. "After this Act shall take effect, a maximum rate of premiums to be charged or collected by all companies transacting in this State the business of fire insurance, as herein defined, shall be exclusively fixed and determined and promulgated by the State Fire Insurance Commission created by this Act, and no such fire insurance company shall, after this Act takes effect, charge or collect any premium or other compensation for or on account of any policy or contract of fire insurance as herein defined in excess of the maximum rate as herein provided for, but may write insurance at a less rate than the maximum rate as herein provided for; provided, that when insurance is written for less than the maximum rate, such lesser rate shall be applicable to all risks of the same character situated in the same community."

The law applies to all companies writing policies of fire insurance; creates a State Fire Insurance Commission of three members and confers upon the Commission full authority to regulate the writing of fire insurance in the State, making it the duty of the Commission to collect and maintain a classified record of the fire losses in the State to be used in determining equitable rates, etc. The Commission is to prescribe, fix, form and regulate the rates of fire insurance, and to make and prescribe the general basis schedules, together with rules and regulations for applying the same to specific risks for the purpose of determining the maximum rates at which insurance companies may write insurance in the State; also, to alter, revise, prepare and lower such rates, and to alter, prepare and lower the general basis schedules or any part thereof. The Commission may also employ inspectors and other employees. After general basis schedules are promulgated it shall be the duty of the fire insurance companies to apply such schedules to the specific risks in the State, and thus obtain maximum insurance rates on such risks. A company may write insurance at a lower rate than the maximum, but must file a copy of such reduction with the State Fire Insurance Commission, and the latter shall file a certified copy of such statement of the reduced rate with the county or city clerk of the locality where such reduction is made. The law also provides for the promulgation of uniform policies of insurance by the Commission, and prohibits the co-insurance clause. Provision is made for hearings on complaints of policyholders, citizens or insurance companies, in relation to any order, rate or rule made by the Commission, and also for appeal to the courts. Rebates are prohibited, but profit-sharing policies may be issued provided that the profit-sharing is uniform, and is specified on the face of the policy. The substance of the fire marshal law of Minnesota is included in this law, and the fire marshal is a member of the State Fire Insurance Commission. Purely mutual and purely profit-sharing or co-operative companies, and inter-insurance and reciprocal exchanges, are exempted from the provisions of the law.

**RECIPROCAL INSURANCE**—Chapter 18 of 1917 Insurance Laws provides for their operation.

**RECIPROCAL LAW**—No provision as to fire or marine companies.

**REINSURANCE**—Reinsurance of Texas risks in companies not authorized in that State, is prohibited. Schedules of reinsurances must be filed annually. In December, 1910, the Insurance Commissioner stated that, in his judgment, all reinsurance contracts made by authorized companies should be countersigned by a resident agent. Attorney-General rules that a company cannot legally reinsure cotton and grain risks in an unadmitted company.

**REINSURANCE RESERVE**—Chap. 2, Sec. 16, Par. 7. "For every company doing fire insurance business in this State, he shall calculate the reinsurance reserve for unexpired fire risks by taking fifty per cent. of the premiums received on all unexpired risks that have less than one year

to run, and a pro rata of all premiums received on risks that have more than one year to run, provided, that when the reinsurance reserve, calculated as above, is less than forty per cent of all the premiums received during the year, the reinsurance reserve in this case shall be the whole of the premiums received on all of its unexpired risks." Reserve on marine and inland (unexpired) risks, 100 per cent of premiums. The reserve of Texas companies when declaring dividends shall be computed by taking forty per cent of premiums on all unexpired fire risks, and one hundred per cent of marine and inland premiums in force. Mutual companies must provide reserve equal to forty per cent of premiums on policies in force for one year, and pro rata on those having more than one year to run.

**RESIDENT AGENTS**—Chap 21, Sec. 459, Digest of 1917. "Any fire, fire and marine, marine, tornado \* \* \* insurance company legally authorized to do business in this State is hereby prohibited from authorizing or allowing any person, agent, firm or corporation that is a non-resident of the State of Texas to issue or cause to be issued, to sign or countersign, or to deliver or cause to be delivered, any policy or policies of insurance on property \* \* \* located in the State of Texas, except through regularly commissioned and licensed agents of such companies in Texas; provided, however, that this act shall not apply to property owned by railroad companies or other common carriers; and provided further, that upon oath made in writing by any person, that he can not procure insurance on property through such agents in Texas, it shall be lawful for any insurance company not having an agent in Texas to insure property of any person upon application of said person, upon his filing said oath with the County Clerk of the county in which such person resides." Sec. 460. "Before a certificate or license to any fire, fire and marine, marine, tornado \* \* \* insurance company is issued authorizing it to transact business in this State, the Insurance Commissioner shall require in every case, in addition to the other requirements already made and provided by the law that each and all such insurance companies herein mentioned shall file with him an affidavit that it has not violated any provision of this act. Sec. 461. "That any person, agent, firm or corporation licensed by the Commissioner of Insurance to act as a fire and marine, marine, tornado \* \* \* insurance agent in the State of Texas, is hereby prohibited from paying, directly or indirectly, any commission, brokerage, or other valuable consideration on account of any policy or policies covering property, person or persons, in the State of Texas, to any person, persons, agent, firm or corporation that is a non-resident of the State of Texas, or to any person or persons, agent, firm or corporation not duly licensed by the Commissioner of Insurance and Banking of the State of Texas as a fire, fire and marine, marine, tornado \* \* \* insurance agent." Sec. 462. "That whenever the Commissioner of Insurance shall have or receive notice or information of any violation of any of the provisions of this act, he shall immediately investigate or cause to be investigated such violation, and if a fire, fire and marine, marine, tornado \* \* \*

insurance company has violated any of such provisions aforesaid, he shall immediately revoke its license for not less than three months, nor more than six months, for the first offense, and for each offense thereafter for not less than one year, and if any person, agent, firm or corporation licensed by the Commissioner of Insurance as a fire, fire and marine, marine, tornado \* \* \* insurance agent shall violate or cause to be violated any of the provisions of this act, he shall for the first offense have his license revoked for all companies for which he has been licensed, for not less than three months, and for the second offense he shall have his license revoked for all companies for which he is licensed, and shall not thereafter be licensed for any company for one year from date of such revocation."

Sec. 463. "For the purpose of enforcing the provisions of this act, the Commissioner of Insurance is hereby authorized and it is made his duty, at the expense of the company investigated, to examine at the head office, located within the United States of America, all books, records and papers of such company and also any officers or employees thereof under oath as to violations of this act, and he is further hereby empowered to examine any person or persons, administer oaths and send for papers and records and failure or refusal upon the part of any fire, fire and marine, marine, tornado \* \* \* insurance company, person or persons, agent, firm or corporations, licensed to do business in the State of Texas to appear before the Commissioner of Insurance when requested to do so or to produce records and papers, or answer under oath, shall subject such fire, fire and marine, marine, tornado \* \* \* insurance company, person, or persons, agent, firm, corporation to the penalties of this act." The Attorney-General as of August 2, 1916, has rendered an opinion effectively prohibiting the payment to brokers not licensed in Texas of any commission on Texas business.

#### **SEMI-ANNUAL STATEMENTS—None required.**

**STANDARD POLICY—**Chap. 9, Sec. 209, Digest of 1917. "It shall be the duty of the State Insurance Commission to make, promulgate and establish uniform policies of insurance applicable to the various risks of this State, copies of which uniform policies shall be furnished each company doing business in this State, or which may hereafter do business in this State. That after such uniform policies shall have been established and promulgated and furnished the respective companies, doing business in this State, such companies shall, within sixty days after the receipt of such forms of policies, adopt and use said form or forms and no other; also all companies which may commence business in this State after the adoption and promulgation of such forms of policies, shall adopt and use the same and no other forms of policies.

"The said State Fire Insurance Commission shall also prescribe all standard forms, clauses and endorsements used on or in connection with insurance policies. All other forms, clauses and endorsements placed upon

insurance policies shall be placed thereon subject to the approval of the commission."

**TAXES**—Chap. 13, Sec. 265, Digest of 1917. "Every insurance company transacting the business of fire, marine, marine inland \* \* \* insurance within this State, \* \* \* at the time of filing its annual statements, shall report to the Commissioner of Insurance and Banking the gross amount of premiums received in the State upon property, and from persons residing in the State during the preceding year, and each of such companies shall pay an annual tax upon such gross premium receipts as follows: Shall pay a tax of two and six-tenths per cent, provided that any company doing two or more kinds of insurance business herein referred to, shall pay the tax herein levied upon the gross premiums received from each of said kinds of business; and the gross premiums receipts where referred to in this act are understood to be the premium receipts reported to the Commissioner of Insurance and Banking by the insurance companies upon the sworn statement of two principal officers of such companies, less return premiums paid policyholders, and to the premiums paid for reinsurance in companies authorized to do business in this State." Sec. 266. "Upon receipt by him of sworn statements, showing the gross premium receipts by such companies, the Commissioner shall certify to the State Treasurer the amount of taxes due (by) each company, which tax shall be paid to the State Treasurer for the use of the State on or before the first of March following, and the receipt of the Treasurer shall be evidence of the payment of such taxes. No insurance company shall receive a permit to do business in this State until such taxes are paid." Sec. 267. "If any such insurance company shall have as much as one-fourth of its entire assets, as shown by said sworn statement, invested in any or all of the following securities: Real estate in the State of Texas; bonds of this State or of any county, incorporated city or town of this State, or other property in this State in which by law such companies may invest their funds, then the annual tax of any such company shall be one per cent of its said gross premium receipts; and if any such company shall invest as aforesaid as much as one-half of its assets, then the annual tax of such companies shall be one-half of one per cent of its gross premium receipts, as above defined; and provided, further, that no occupation tax shall be levied on insurance companies herein subjected to a gross premium receipt tax, by any county, city or town; \* \* \* Sec. 268. "The tax aforesaid shall constitute all taxes and license fees collectible under the laws of this State against any such insurance companies, and no other occupation or other taxes shall be levied on or collected from any insurance company by any county, city or town, but this act shall not be construed to prohibit the levy and collection of State, county and municipal taxes upon the real and personal property of such companies. \* \* \* " Mutual companies are exempt from this tax. The effect of section 268 is modified by the law of 1913, under which a tax of one and one-fourth per cent of the gross premiums is payable yearly by all fire

insurance companies to the "State of Texas" to cover the expenses of the State Fire Insurance Commission; should said amount be more than necessary the Insurance Commission may reduce the rate for the next succeeding year. Chap. 9, Sec. 217, Digest of 1917. Commissioner of Insurance and Banking rules that this tax is payable to State Treasurer.

Occupation taxes are collected as follows: (Chap. 21, Sec. 473.) "From each and every person acting as general adjuster of losses, or agents of life, fire, marine and accident insurance companies, who may transact any business as such in this State, an annual occupation tax of \$50. By general agent, as used in this law, is meant any person or firm, representative of any insurance company in this State, or who may exercise a general supervision over the business of such insurance company in this State, or over the local agency thereof in this State, or any subdivision thereof; provided, that when such a general agent acts as a local agent he shall pay an additional tax as local agent, as hereinafter provided." Domestic mutual companies pay one-half of one per cent on gross premiums received; no other tax. No franchise tax is levied upon printers and county mutual companies. Chap. 4, Sec. 89. "Insurance companies incorporated under the laws of this State shall hereafter be required to render for State, county and municipal taxation all of their real estate as other real estate is rendered, and all of the personal property of such insurance companies shall be valued as other property is valued for assessment in this State in the following manner: From the total valuation of its assets shall be deducted the reserve, being the amount of the debts of insurance companies by reason of their outstanding policies in gross, and from the remainder shall be deducted the assessed value of all real estate owned by the company and the remainder shall be the assessed taxable value of its personal property. Home insurance companies shall not be required to pay any occupation or gross receipt tax."

**TAX STATEMENTS**—Must be filed before March 1. See "Taxes."

**VALUED POLICY**—Chap. 9, Sec. 181. "A fire insurance policy, in case of a total loss by fire of property insured, shall be held and considered to be a liquidated demand against the company for the full amount of such policies; provided, that the provisions of this article shall not apply to personal property."

### **COUNTY TAXES AND FEES.**

None. (See "Municipal Taxes and Fees.")

### **MUNICIPAL TAXES AND FEES.**

(In July, 1908, the Commissioner of Insurance and Banking wrote that an act taking effect January 1, 1908, "repealed the law, as it formerly existed, taxing certain occupations, including under this head local insurance agents; but the law was allowed to stand with regard to the occupation tax upon general adjusters or agents of life, fire, marine and accident insurance companies and they continue to pay an occupation tax of \$50



per year. \* \* \* There is no municipal tax imposed upon local fire insurance agents. There is the State occupation tax against general agents named above, but no State or local tax upon local agents and no local tax upon general agents.")

On or before

### CALENDAR—TEXAS

- |          |   |
|----------|---|
| Feb. 28  | Agents' and adjusters' licenses must be secured.<br>Company license must be obtained.<br>Affidavit of compliance with Resident Agents Law must be filed.  |
| March 1  | Annual statement must be filed.<br>Certificate of compliance must be filed.<br>Premium tax is payable to State Treasurer.<br>State Fire Commission tax payable.<br>Tax statement must be filed. |
| March 30 | Evidence of publication of license must be filed.   |
| April 30 | Certificate of compliance for publication must be secured and<br>publication made in three successive weeks before Mar. 30.   |

# UTAH.

## STATE REQUIREMENTS.

**AGENTS DEFINED**—Compiled Laws 1917, Sec. 1140. “\* \* \* Any person who shall solicit and procure an application for insurance, other than fire insurance, shall, in any controversy between parties to the contract, or between the parties to the contract and beneficiary, if any, be held to be the company’s agent, whatever conditions or stipulations may be contained in the policy or contract. \* \* \* A person who, \* \* \* for compensation, transmits for a person other than himself an application for a policy of insurance to or from such company, shall be an insurance agent or solicitor within the intent and for the purposes of this act, \* \* \*.”

**AGENTS’ LICENSES**—Agents must procure licenses (one for each company represented), which expire annually on last day of February. Penalty for acting as agent without a license or for representing an unlicensed company, for each offense, fine of not less than \$100 or imprisonment for not exceeding two months, or both. Licenses are issued to firms and corporations, one license covering all members and regular employees who work on salary.

**ANNUAL STATEMENTS**—Must be filed by March 1, showing condition as of December 31 next preceding. Penalty for violation, revocation of license. These annual statements and the tax statements are the only ones required to be filed annually, in Utah.

**ANTI-COINSURANCE**—No prohibition of use of coinsurance clauses.

**ANTI-COMPACT**—No law forbidding co-operation.

**ANTI-DISCRIMINATION**—No provision.

**ATTORNEY**—A resident of the State must be appointed to accept service of legal process, and a new power of attorney must be filed with Insurance Commissioner annually before March 1.

**CANCELLATION OF POLICY**—No provision.

**CAPITAL REQUIRED**—Compiled Laws 1917, Sec. 1144. “No joint stock fire insurance company shall be permitted to do any business in this State unless it is possessed of an actual paid-up cash capital and surplus as follows: (1) Companies with territory not limited to Utah, a capital of not less than \$200,000, and a net surplus over all liabilities of not less than \$100,000, or a capital and net surplus over all liabilities aggregating \$300,000. (2) Companies, the business of which is limited to Utah only, a capital of not less than \$50,000, and a net surplus over all liabilities of not less than \$50,000. (3) No mutual or mutual assessment fire insurance company shall be permitted to do any business in this State unless it is possessed of cash assets as follows: (4) Companies with territory not limited to Utah, cash assets of not less than \$100,000. Companies whose business is limited to

Utah only, cash assets of not less than \$25,000, such assets to be **net** after deducting all liabilities other than reinsurance reserve. Companies with a guaranty fund shall be required to have the same capital and surplus as that required of joint stock companies. Mutual company **must** file a bond or deposit securities to the amount of \$10,000, or a sum equal to its annual premiums in Utah.

**COMMISSIONS TO NON-RESIDENTS**—All policies other than life **must** be approved and countersigned by a resident agent, who shall **receive** his commission thereon. Non-resident agent may also be licensed and **receive** commission provided policies are approved and countersigned as **above**. See "Resident Agents."

**DEPOSIT**—Sec. 1144. "\* \* \* No insurance company not organized under the laws of a State, Territory or district of the United States, shall be admitted or permitted to do any business in this State, until, beside complying with the Insurance Laws of this State, it has made a deposit with the Commissioner of Insurance of this State, or with the duly authorized officer of some other State of the United States, of a sum of not less than the capital or capital and surplus or guaranty or surplus fund required of like companies under this Act. Such deposit must be an exclusive trust for the benefit and security of all the company's policyholders and creditors in the United States and may be made in the securities, but subject to the limitations specified in Sec. 1145 of this Act; and such deposit shall be deemed for all purposes of the insurance laws, the capital or capital and surplus or guaranty or surplus of the company making it. Foreign companies must have at least \$200,000 on deposit with the proper official in one State or Territory of the United States.

**DOMESTIC COMPANIES**—Compiled Laws 1917, Sec. 1149. "Any number of persons, not less than five, at least, one of whom shall be a resident of this State, may associate to establish a joint stock insurance company. \* \* \* The Secretary of State shall not issue a certificate of incorporation to any insurance company unless it shall appear by affidavit that the subscribed capital and net surplus or guaranty fund when required by this Act shall have been paid as required by Sec. 1144 of this Act." Duplication of corporate names is prohibited.

**EXAMINATIONS**—Compiled Ins. Laws 1917, as amended in 1919. Sec. 1133. "The Commissioner of Insurance shall examine and inquire into violations of the insurance laws of this State, and for this purpose, or to see if the laws are obeyed, or to examine the financial condition, affairs and management of any company, he may visit or cause to be visited by any competent person or persons he may appoint, the head office in the United States of any domestic or foreign insurance company, applying for admission to or already admitted to do business in this State, and may for this purpose examine or investigate any company organized under the laws of Utah, and any agency of any company doing business in this State; provided, that the written consent

of the State Board of Examiners must be obtained to all examinations, inquiries, or investigations made beyond the borders of the State of Utah. The cost of such examinations, shall be paid by the company examined, and shall include the reasonable expenses of the Commissioner, and assistants employed therein, whose services are paid for by the Department, and the compensation and reasonable expenses of his assistants employed therein whose services are not paid by the Department. \* \* \* The Commissioner may also examine companies upon the request of five or more of the policyholders, representing at least \$100,000 insurance in force, who shall make affidavit of their belief, with specifications of their reasons therefor in writing, showing reasonable grounds for such belief, that such company is in an unsound or insolvent condition, provided that only the United States branches of companies incorporated in foreign countries shall be examined by said Commissioner." Penalty for obstructing an examination, fine not exceeding \$500 or imprisonment not exceeding three months, or both.

**FEES**—There shall be paid by every insurance company doing business in this State, to the Commissioner of Insurance, the following fees: For filing statement preliminary to admission (foreign companies), \$50; inter-insurance and reciprocal exchanges, \$25; for filing certified copy of acceptance by foreign companies of the provisions of the Constitution of the State of Utah, \$3; for filing any power of attorney, \$1; for filing articles of incorporation and by-laws of foreign companies and examination thereof, \$25; for filing amendments to articles of incorporation and by-laws of foreign companies, and examination of, \$5; for filing annual statement, \$50; inter-insurance and exchanges, \$15; for certificate of authority to transact business in this State, \$5 (certificates expire last day of February); for each copy of certificate of authority for use of agents and solicitors, \$2; for preparing synopsis of annual statement for publication and certifying the same, \$5; for each copy of any paper filed in this office, per folio, 20 cents; for affixing the seal of his office and certifying any paper, \$1; for examinations outside of Utah, expenses thereof. Chapter 23, Laws of 1919, provides that when any State or nation charges Utah companies taxes or fees in excess of those required of other State companies then the same taxes or fees shall be applicable to companies of that State or nation when operating in Utah.

**FIRE DEPARTMENT TAX**—Under a law passed in 1911 a tax of one per cent is levied on the premiums collected by fire insurance companies in cities having fire departments of a prescribed efficiency, but this was subsequently declared unconstitutional by the United States District Court.

**FIRE MARSHAL**—No law providing for investigation of fires.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—None required.

**GENERAL PENALTIES**—Compiled Laws 1917, Sec. 1134. "When the Com-

missioner of Insurance deems it to the interest of the public he may publish the result of any examination or investigation in a daily newspaper published in and of general circulation in the State. If the Commissioner finds, upon examination, hearing or other evidence, that any foreign or domestic insurance company is in an unsound or insolvent condition or has failed to comply with the law or with the provisions of its charter, or that its condition is, or its methods are, such as to render its operation hazardous to the public or its policyholders, or that its actual assets, exclusive of its capital, are less than its liabilities, or if its officers or agents refuse to submit to examination or to perform any legal obligation relative thereto, or refuse on behalf of the company to pay the examination charges, he shall suspend or revoke all certificates of authority granted to said insurance company, and its officers or agents, and shall cause notice thereof to be published in one or more daily newspapers, which shall have a general State circulation, and no new business shall thereafter be done by it or its agent in this State, while such default or disability continues, nor until its authority to do business is restored. Before suspending or revoking the certificate of authority of any such company, the Commissioner shall, unless it is insolvent or its capital impaired, grant it fifteen days in which to show cause why such action should not be taken. Any foreign or domestic insurance company whose certificate of authority has been suspended or revoked by the Commissioner, may, within fifteen days thereafter, appeal from said order to the District Court of the district in which its principal place of business is located, which Court, upon filing the proper petition, shall cause the record and orders of the Commissioner to be brought before it, and upon a hearing of the case by the Court de novo, the Court shall either confirm or revoke the order of the Commissioner, as the law and the facts of the case may warrant." In general any violation of the insurance law is a misdemeanor.

**IMPAIRMENT**—None permitted. See "General Penalties."

**INVESTMENTS PRESCRIBED**—Compiled Laws 1917, Sec. 1145. "(1) No insurance company shall transact business in this State unless it is possessed of the actual amount of capital or guaranty or surplus funds as required in Sec. 1144 of this Act, in cash or invested in bonds or public stock issued or created by the United States, or by this State, or by any other State of the United States, or the District of Columbia, or any or either of them, or by any of the incorporated cities, counties, townships, or other municipal corporation thereof; or in bonds or notes secured by mortgages or trust deeds on unincumbered real estate located within said States or the District of Columbia, or either of them, worth at least fifty per cent more than the sum invested or loaned thereon. (2) Domestic insurance companies hereafter organized may, after complying with the provisions of this Act, invest their additional surplus or funds, in such securities as are named in paragraph (1) hereof; or may loan upon, or purchase real estate or mortgage bonds of railroad companies organized

under the laws of said State, or the District of Columbia, or either of them, or operated therein, or the capital stock, bonds, securities, or evidences of indebtedness created by any corporation or corporations created under the Laws of the United States, or of this, or any other State, except the stock of mining companies; provided, that no loan shall be made or retained on any of the above-mentioned securities, except the bonds or stocks issued or created by the United States, or this State, exceeding ninety per centum of the market value thereof; and provided, further, that no loan shall be made by any company on its own stock."

**LICENSED BROKERS**—No provision.

**LIMIT ON A SINGLE RISK**—Ten per cent. of paid-up capital and surplus (net). A mutual company's limit is 5 per cent of net premium income in preceding year.

**LLOYDS**—Comp. Laws 1917, Sec. 1120. "That in this Act, unless the context otherwise requires, "Company" or "Insurance Company" shall include all corporations, associations, partnerships, or individuals engaged as principals in the insurance business, excepting fraternal and benevolent orders and societies." See "Reciprocal Insurance."

**MARINE INSURANCE REQUIREMENTS**—Law applies to fire or marine insurance companies, or those doing both classes.

**MISCELLANEOUS**—Misuse of company's funds by an agent is larceny.

**MUTUAL COMPANIES**—Comp. Laws 1917, Sec. 1180. "Twenty-five or more persons, citizens of this State, may form a corporation to carry on the business of insurance on the mutual plan or fire insurance upon the assessment plan. The Secretary of State shall not issue a certificate of incorporation to any such insurance company organized on the mutual or the assessment plan unless it shall appear by affidavit of at least three of the incorporators that a guaranty or equivalent fund shall have been provided, as required in Section 1144 of this Act, and until the Commissioner shall have approved the same." The word "Mutual" must be embodied in the title. County and district (a district is defined as not less than one county nor more than four) mutuals may be organized by 50 residents owning \$50,000 of property, when \$100,000 shall have been written in risks (as amended in 1915).

**PRELIMINARY DOCUMENTS**—Company must file with the Insurance Commissioner a copy of its last annual statement showing the condition of the company, also certified copies of its articles of incorporation and by-laws and certificate of incorporation, coupled with an acceptance of the provisions of the Ins. Code of the State. Penalty for doing business in Utah without authority, fine of \$100. Articles of incorporation and by-laws, and acceptance of constitution, are filed but once.

**PUBLICATION**—A statement prepared by the Commissioner of Insurance, together with a copy of certificate of compliance, must be published annually within thirty days after issuance of certificate of authority, at least four times, in newspaper published at the capital, at the company's

expense. Charge is \$12.50 (not fixed by law), payable directly to publisher upon presentation of bill for same.

**RECIPROCAL INSURANCE**—Chapter 20, Laws of 1919, provides that individuals, partnerships and corporations of this State designated subscribers may exchange reciprocal or inter-insurers' contracts providing indemnity among themselves from any loss which may be insured against except life and workmen's compensation. All contracts shall be executed by an attorney. Statement must be made by the attorney to the Insurance Commissioner stating the name of the association, the kinds of insurance to be transacted, copy of the policy form and the power of attorney. There must be applications for at least 100 separate risks aggregating not less than \$1,500,000 insurance in force.

There shall be maintained a net reserve of fifty per cent of the net annual deposits and pro rata on those for longer periods. Assets must at no time be less than \$50,000. There must be filed with the Insurance Commissioner a statement showing the maximum amount of indemnity upon a single risk and that no subscriber has assumed on any risk more than 10 per cent of his worth. Insurance Commissioner must be appointed attorney, on whom all papers of process may be served. Annual statement must be filed for the year ending December 31, on or before the last day of February. Penalty for transacting business without a license is a misdemeanor, and on conviction shall be fined not less than \$100 and not more than \$1000. Certificate of authority expires March 1.

**RECIPROCAL LAW**—Chapter 23, Law of 1919, provides that whenever laws of any other State or country shall require of insurance companies organized under Utah laws doing business in such other State, any deposit of securities for the protection of their policyholders or otherwise or any payment, taxes, fines, penalties, certificates of authority, license fees or otherwise greater than the amount required by the laws of this State for the same purpose for similar companies organized under the laws of such other State or country and doing business in this State, then all companies of those States and countries shall make the same deposit with the Commissioner of Insurance and pay the same taxes and fees.

**REINSURANCE**—Comp. Laws 1917, Sec. 1174. "Every insurance company doing business in this State may reinsure the whole or any part of any policy obligation in any other insurance company. When the reinsurance is made by any other than a life insurance company, the company so reducing its direct amount at risk shall, for the purpose of computing its unearned premium fund, deduct from the original or policy premium on said direct amount at risk, the net sum actually paid for reinsuring such risk. The company taking over or acquiring the risk, through reinsurance, shall enter in premium in force at any time the premiums actually received for risks thus acquired through reinsurance, the unearned premium to be computed by the risk so ceded. The company taking over such reinsurance shall compute

its unearned premium fund on account thereof upon the basis of the actual amount of net premium so received and in force at the time of such computation. But this provision shall not apply to a company that reduces by reinsurance its direct liability to the holders of its policies as a step preliminary to its permanent or final retirement from the business. Said retiring company shall then be credited in reduction of its outstanding policy liability with the original or policy premium reinsured, irrespective of the net sum actually paid for such reinsurance, and the company taking over such outstanding risks shall be charged with an unearned premium fund on the original or policy premium on said risks, as the same appear in the outstanding policies of the retiring company. No credit of any kind shall be allowed or given, either as a reduction of taxes or of liabilities, to any company transacting business in this State for reinsurance made in companies not authorized to issue policies in this State." Schedules of insurance may be required at any time by the Commissioner of Insurance.



**REINSURANCE RESERVE**—"The amount required to safely reinsure all outstanding risks."

**RESIDENT AGENTS**—Compiled Laws, 1917, Sec. 34. "No insurance company or association (other than life) not incorporated under the laws of this State, shall make, write or place any policy or contract of insurance of any kind or character binding in law upon any person or property situated or located in this State, except after the said risk has been approved by an agent resident of this State, regularly commissioned and licensed to transact insurance business in Utah for said company, who shall countersign all policies so issued and receive their commission thereon, and also to the end that the State may receive the taxes required by law to be paid on the premiums collected for insurance written herein. This section shall not apply to reinsurance policies nor insurance covering the rolling stock of railroad corporations, where such railroad line lies partially within and partially without the State of Utah, or to property in transit while in the possession and custody of common carriers." Refusal to submit to examination to ascertain possible violations of above section will be deemed conclusive evidence of violation. Penalty for violation, revocation of license for one year, and until requirements are complied with.

**SEMI-ANNUAL STATEMENTS**—None required.

**STANDARD POLICY**—No provision. Forms and riders must be filed, and may not be used if disapproved. Old New York standard form generally used.

**TAXES**—Compiled Laws 1917, Sec. 1135. "\* \* \* All insurance companies engaged in the transaction of business of insurance in this State shall annually, on or before the first day of March in each year, pay to the Commissioner of Insurance  $1\frac{1}{2}$  per cent of the gross amount of premiums received less the amount of all premiums returned, within this State during



the year ending the previous 31st day of December; provided, that if any insurance company shall have paid a property tax during said year, it shall be entitled to deduct from the tax therein provided the amount of such property tax paid for general State purposes." Sec. 1136. "The taxes and fees, as provided herein, shall be in lieu of all other taxes, licenses and fees of every kind and character by the State or any subdivision or village, town or municipality thereof." Credit is allowed for reinsurances in authorized companies.

**TAX STATEMENTS**—Must be filed before March 1. See "Taxes."

**VALUED POLICY**—No law of this character.

### COUNTY TAXES AND FEES.

None.

### MUNICIPAL TAXES AND FEES.

**BRIGHAM**—For each agent, \$6 per annum, payable semi-annually, January 1 and July 1.

**LOGAN**—For each company, \$15 per annum.

On or before **CALENDAR—UTAH**

Feb. 28 Company license must be secured.

Agents' licenses must be secured.

March 1 Annual statement must be filed.

Synopsis of annual statement for publication must be obtained and publication made within 30 days of date of certificate.

Premium tax is payable.

Tax statement must be filed.

New power of attorney must be filed.

# VERMONT.

## STATE REQUIREMENTS.

**AGENTS DEFINED**—No statutory definition.

**AGENTS' LICENSES**—Agents must procure licenses, which are renewable annually on April 1. Agents may act as brokers if license fees amount to \$10. Penalty for acting for unauthorized company, \$100 to \$1000. Applications for licenses need not be signed, under seal, by company officials. Each member of firm who solicits insurance and each person soliciting for an agency corporation is required to have a license.

**ANNUAL STATEMENTS**—All fire insurance companies' statements must be filed not later than March 1 for the year ending December 31 preceding. Classification of business required to be filed with annual statement.

**ANTI-COINSURANCE**—No prohibition of use of coinsurance clauses.

**ANTI-COMPACT**—No law forbidding co-operation.

**ANTI-DISCRIMINATION**—Discrimination as to rates is forbidden.

**ATTORNEY**—The Secretary of State must be authorized to accept service of legal process. Penalty for transacting business without having appointed the Secretary of State as attorney, fine of \$100 to \$500.

**CANCELLATION OF POLICY**—No requirement as to notice to insured.

**CAPITAL REQUIRED**—Company must possess an unimpaired capital of \$100,000, at least one-half of which must be invested in cash securities other than real estate mortgages.

**COMMISSIONS TO NON-RESIDENTS**—See "Licensed Brokers."

**DEPOSIT**—None required.

**DOMESTIC COMPANIES**—Chap. 232, G. L., Sec. 5550. "A domestic stock fire insurance company shall not be organized with a less capital stock than \$100,000 paid in cash." Sec. 5546. "No domestic insurance company or association shall issue policies until, upon examination of said Commissioner, it is found to have complied with the laws of this State, and obtained from said Commissioner a certificate stating that fact and authorizing it to issue policies."

**EXAMINATIONS**—Chap. 232, Sec. G. L. 5600. "At least once in five years and whenever the Insurance Commissioner determines it to be prudent, said Commissioner shall personally visit each domestic insurance company, and thoroughly inspect and examine its affairs to ascertain its financial condition, its ability to fulfil its obligations, and whether it has complied with the provisions of law." \* \* \* Sec. 5601. "When said Commissioner determines it to be prudent for the protection of policyholders in this State, he shall, in like manner, visit and examine or cause to be visited and examined by some competent person or persons whom he may appoint for that purpose, any foreign insurance company

applying for admission or already admitted to do business by agencies in this State; and such company shall pay the proper charges incurred in such examination, including the expenses of said Commissioner and the expenses and compensation of his assistants employed therein. Such examination shall include a compensation for the reinsurance reserve."

**FEES**—For each company license, \$5; for each license or renewal to agents (one for each member of firm), \$2; for each broker's license, \$10; for license to place insurance in unauthorized companies, \$10; filing annual statement, \$20; for filing charter on admission (reciprocal), \$30; for each service of process, \$1. It is not optional with the department to reduce or remit any of above fees, which are payable to the Insurance Commissioner. All fees are governed by the reciprocal law.

**FIRE DEPARTMENT TAX**—Law of 1919 levies a tax of one-fourth of one per cent on the net premiums. Governed by reciprocal law.

**FIRE MARSHAL**—A law of 1919 provides for the investigation of all fires by the State Fire Marshal.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—None required.

**GENERAL PENALTY**—Chap. 232, G. L., Sec. 5620. "When the Insurance Commissioner believes that a domestic or foreign insurance company, or an officer or agent thereof, or any other person, has violated the laws relating to insurance, or has not complied with its requirements, he shall forthwith report such fact with any information he has relating thereto to the Attorney-General, who shall prosecute therefor if he deems it advisable; and the offender shall be fined not more than \$2000." Penalty for not paying judgment within thirty days, revocation of license; company or agent issuing policy after suspension may be fined not more than \$200. A foreign company's license may be revoked for any violation of law.

**IMPAIRMENT**—Chap. 232, G. L., Sec. 5556. "\* \* \* But the Insurance Commissioner may, in his discretion, license a company to do business whose impairment of capital does not exceed twenty per cent under the above rule." (See "Capital Required.")

**INVESTMENTS PRESCRIBED**—Capital of foreign companies must be in securities readily available into cash, not less than one-half of which is invested in cash securities other than mortgages on real estate. Capital of domestic companies, surplus funds and other assets, shall be invested in such securities as are permitted by law to savings banks, savings institutions and trust companies, but such funds shall not be invested in or loaned upon its own stock or the stock of any other insurance company. Real estate convenient for the accommodation of its business may be held at a cost not exceeding twenty-five per cent of its available cash assets and not otherwise, but may hold real estate acquired under the conditions of any mortgage owned by it or by purchase or set-off on execution upon judgment for debts due it in the course of its legitimate business.

**LICENSED BROKERS**—Chap. 232, G. L., Sec. 5609. "The Insurance Commissioners may upon the payment of \$10, issue to a suitable person, resident in this State, a license to act as insurance broker to negotiate contracts of insurance, or reinsurance or place risks or effect insurance or reinsurance with a domestic insurance company or its agent, or with the authorized agent in this State of a foreign insurance company duly admitted to do business herein. An applicant for such license shall file with the Insurance Commissioner a written application in the form prescribed by said Commissioner." Chap. 232, G. L., Sec. 5615. "The Insurance Commissioner may issue a license to a resident of this State, permitting the person named therein to procure policies of fire insurance on property in this State in foreign insurance companies not authorized to transact business in this State. \* \* \*." Such brokers pay a tax of three per cent on gross premiums less return premiums, upon filing their annual statements in January. Quarterly statements are also required. Sec. 5612. "The Insurance Commissioner may, subject to the provisions of the three preceding sections, grant a broker's license to a person resident in another State if the laws of such a State permit the issuance of a broker's license to residents of this State." Business from a non-resident broker must be placed through a resident agent in Vermont, and the Insurance Department will not approve the mere endorsement of a policy by a resident agent for a non-resident broker. The resident agent must collect the commission from the company, and he and the company are both held responsible for the disbursement of the commission, so that none but licensed agents or brokers may receive any of it.

**LIMIT ON A SINGLE RISK**—No restriction.

**LLOYDS**—No provision. Law applies to companies and copartnerships.

**MISCELLANEOUS**—Chap. 232, G. L., Sec. 5572. "A fire insurance company or association transacting business in this State shall report to the Insurance Commissioner, within ten days after the adjustment of a loss, the amount of all policies issued by such company or association on the property destroyed or damaged, the amount paid or payable on account of such loss, and such other information relating to the matter as said Commissioner may require." A clause in a policy limiting the time of commencement of an action thereunder to less than twelve months, or making an award by appraisers a condition precedent to a suit, is null and void. Companies are liable for the acts of their agents as between them and the insured.

**MUTUAL COMPANIES**—Chap. 232, G. L., Sec. 5557. "A foreign mutual insurance company shall not do business in this State unless it has assets amounting to \$100,000, invested in securities readily convertible into cash, not less than half of which is invested in cash securities other than mortgages of real estate, nor unless it has such assets equal to its outstanding liabilities including reinsurance reserve to be estimated as in the case

of joint stock insurance companies, named in preceding section, and including the amount of guarantee capital as a liability." Domestic mutual companies must file before February 15, annually, statements covering the year ending with the 31st of December preceding. Such companies need not keep a cash reinsurance reserve or funds invested in securities other than their premium notes, when the latter amount in gross to three per cent of the amount at risk. In any year when the assessments required to pay losses and expenses would not equal five per cent of its premium notes, a company may assess up to five per cent and carry any available balance to surplus account for the payment of future fire losses and expenses as limited by law. Such surplus shall at no time exceed ten per cent of the face of the premium notes at such time in force, and any year when the fire losses and expenses of any company accumulating a surplus in this manner shall exceed the amount of a three per cent assessment such excess may be taken from the surplus and used in payment of losses and expenses. A law of 1915 provides for the formation of co-operative fire insurance companies by thirty or more citizens; when the insurance in force shall amount to \$200,000 the company may be authorized to operate throughout the State.

**PRELIMINARY DOCUMENTS**—Company must file with the Insurance Department a certified copy of its charter and by-laws, and a verified statement showing its financial condition, also power of attorney to Secretary of State, authorizing him to accept service of process. Foreign companies must also file certificates of deposit. Penalty for doing business for unauthorized company, fine of \$100 to \$1000. Certificate of compliance with laws of company's home State not required annually.

**PUBLICATION**—Governed by reciprocals.

**RECIPROCAL INSURANCE**—No specific provision. Same law governs corporations and inter-insurers.

**RECIPROCAL LAW**—Chap. 232, G. L., Sec. 5623. "If another State or country imposes or requires of a domestic insurance company or its agents doing business therein, taxes, fees, fines, penalties, deposits, obligations or prohibitions exceeding those imposed by this State upon or required of foreign insurance companies doing business herein, an insurance company organized under the laws of such other State or country and its agents doing business in this State shall be subject to the fees, fines, penalties, deposits, obligations or prohibitions similar to those so imposed in such other State or country; and the same shall be imposed, required and enforced as like fees, fines, penalties, deposits, obligations and prohibitions are under the laws of this State."

**REINSURANCE**—No express prohibition of reinsurance in unauthorized companies.

**REINSURANCE RESERVE**—Fifty per cent of premiums, less return premiums and reinsurance, on outstanding term fire risks, ninety-five per cent of premiums on perpetual risks, and one hundred per cent of ocean marine

premiums, excepting on time hull risks, which may be computed at fifty per cent. See "Mutual Companies."

**RESIDENT AGENTS**—Chap. 232, G. L., Sec. 5554. "If the Insurance Commissioner is satisfied with such copies and statements and that such company has complied with the provisions of this title, he shall grant a license authorizing it to do insurance business by lawfully constituted and licensed resident agents only until the first day of April thereafter. \* \* \* This shall not be construed to prohibit residents of this State from procuring insurance at the home office of foreign company." Chap. 232, G. L., Sec. 5566. "Every fire \* \* \* insurance policy written in a foreign insurance company licensed to do business in this State, upon property located in this State, \* \* \* shall be countersigned by a duly authorized agent of the insuring company, \* \* \* who is a resident of this State." Chap. 232, G. L., Sec. 5617. "A fire or casualty insurance company authorized to do business in this State shall not authorize or allow a non-resident person, agent, firm or corporation to issue or cause to be issued a policy or policies of insurance on property located herein." Penalty for violation, revocation of license for three to six months for first offense, and for not less than one year for each subsequent offense.

**SEMI-ANNUAL STATEMENTS**—None required.

**STANDARD POLICY**—Secs. G. L. 5567 and 5568 must be a part of every policy written. These requirements relate to proofs of loss and to commencement of suits. We have been informed that the new New York Standard Form of Policy is now required to be used in Vermont.

**TAXES**—A two per cent tax on premiums received and assessments collected on business in the State is imposed; but in determining the amount of taxes to be assessed, there shall be deducted from the full amount of premiums and assessments the unused balance of notes taken for premiums on open policies; all sums paid for return premiums on canceled policies; dividends paid to policyholders; and the sums actually paid to other insurance companies incorporated by this State, or to the agents within this State of foreign companies, for reinsurance on risks for which a tax on the premiums would be due had no reinsurance been effected. Dividends in scrip or otherwise, in stock, mutual or mixed companies must not be considered return premiums. Taxes are payable in February to the State Treasurer. Penalty for failure to pay tax, revocation of license. There is a franchise tax of \$10 for the first \$50,000 of capital or deposit and \$5 extra for each additional \$50,000 or part thereof, but the whole not to exceed \$100, payable in February to the State Treasurer. Licensed brokers must pay a tax of three per cent on gross premiums less return premiums. Penalty for failure to pay tax, revocation of license. Domestic companies pay one per cent on net cash surplus to policyholders less value of real estate.

**TAX STATEMENTS**—Statement for license, taxes and premium must be filed before March 1.

**VALUED POLICY**—No provision.

### COUNTY TAXES AND FEES.

None.

### MUNICIPAL TAXES AND FEES

None.

### CALENDAR—VERMONT

On or before

Feb.	1	Tax statement to be filed by Vermont companies. Premium tax is payable by Vermont companies.
Feb.	28	Premium tax is payable to State Treasurer. Franchise tax on capital or deposit is payable to State Treasurer.
March	1	Annual statement of fire, and fire and marine companies, must be filed and filing fee paid. Tax statement must be filed by other than Vermont companies. Pay Fire Marshal tax.
April	1	Company license must be secured. Agents' licenses must be renewed.

# VIRGINIA.

## STATE REQUIREMENTS.

**AGENTS DEFINED**—Any person soliciting or procuring applications for any insurance company is held to be an agent.

**AGENTS' LICENSES**—License must be procured by agent. Penalty for soliciting without a license not less than \$10 nor more than \$100. Licenses expire July 15, annually. Agency corporations are not licensed; each soliciting member or employee must obtain a license.

**ANNUAL STATEMENTS**—Must be filed with Commissioner of Insurance by March 1, showing actual condition of company on the last day of the preceding year. Time may be extended sixty days for good cause. Penalty for failure to make report, fine of not less than \$100 nor exceeding \$1000 for each failure. Penalty for filing a false report, imprisonment for two to ten years. A report showing names, etc., of officers and directors must be filed annually with State Corporation Commission within thirty days after date of annual election.

**ANTI-COINSURANCE**—No law forbidding use of coinsurance clauses. See "Miscellaneous," Act of March 9, 1906.

**ANTI-COMPACT**—The Wharton anti-compact measure was repealed in 1902. See "Miscellaneous."

**ANTI-DISCRIMINATION**—Rebating in any form is prohibited.

**ATTORNEY**—The Secretary of the Commonwealth must be appointed attorney to accept service of legal process.

**CANCELLATION OF POLICY**—No provision for notice to insured.

**CAPITAL REQUIRED**—Minimum for other State company, \$200,000. Minimum capital stock of a domestic company, which must all be paid in, shall not be less than \$100,000, with fifty per cent surplus. Company doing more than one kind of business, as provided in Chapter VI, must have at least \$100,000 capital. See "Deposit."

**COMMISSIONS TO NON-RESIDENTS**—No provision in law, but not allowed by Insurance Department.

**DEPOSIT**—Sec. 4211. "Unless otherwise provided, every insurance company, except a company doing exclusively a marine insurance business, \* \* \* whether incorporated by the laws of this State or not, shall, by an agent employed to superintend or manage the business of such company in this State, or through some authorized officer, deliver to the Treasurer of this State a statement under oath of the amount of actual unimpaired capital of such company, and deposit with him bonds of the United States, or of the State of Virginia, or of the cities, towns or counties of this State, to an amount to be fixed by the Commissioner of Insurance and approved by him of the actual cash value of not less than ten thousand nor more than fifty thousand dollars. \* \* \*. Mutual companies paying losses wholly



from assessments, and mutual companies doing business exclusively within this State are exempt.

**DOMESTIC COMPANIES**—Must be incorporated by State Corporation Commission.

**EXAMINATIONS**—All insurance companies are subject to the inspection and supervision of the Commissioner of Insurance, who may examine a company whenever he deems it necessary. Before making an examination, the Commissioner shall first inquire of the Insurance Department of the company's home State; and if a favorable report is received, further examination may be dispensed with. If a company is found to be in unsatisfactory condition, its license may, after a hearing, be refused, revoked or suspended.

**FEES**—A State license fee of \$200 is payable into the State Treasury for year of entry only, but the Auditor of Public Accounts shall not receive same until the Commissioner of Insurance has notified him he can receive it (see Taxes); licenses expire April 30; if license is taken out after May 1 the fee is pro rata for the first year to April 30. State Treasurer's fee for handling and safekeeping of deposits, one-twentieth of one per cent of their face value, payable in January. Annual registration fee: For maximum capital of \$15,000 or less and mutual company, \$5; \$15,000 to \$50,000, \$10; 50,000 to \$100,000, \$15; \$100,000 to \$300,000, \$20; over \$300,000, \$25; annual fee for underwriters' agencies, \$200. Fee on admission, mutual companies, \$50. Entrance fee payable into the Treasury of the State of Virginia once only, viz.: when company enters the State: Where the maximum capital stock is \$50,000 and under, \$30; over \$50,000 and not in excess of \$1,000,000, 60 cents for each \$1000 or fraction thereof over \$1,000,000 and not in excess of \$10,000,000, \$1000; and advancing by \$10,000,000 stages, each increase in fee \$250, up to \$90,000,000 (\$3000); over \$90,000,000, \$5000. Foreign corporations without capital stock shall pay \$50. The amount to which a company is authorized by the terms of its charter to increase its capital stock is considered its maximum capital stock. \$5 to State Corporation Commission, payable once only, when company enters the State; to Secretary of Commonwealth, 20 cents per 100 words for recording charter and \$1 for recording power of attorney; for certificate of any document, \$1; for broker's license, \$100 (to Insurance Commissioner); for agent's license \$1 (to Insurance Commissioner); for receiving service of process, \$2.50 (to Secretary of the Commonwealth). Expense of examination is payable by company examined, unless remitted by Commissioner.

**FIRE DEPARTMENT TAX**—The Supreme Court has declared a tax of 1 per cent on premium collections for the benefit of disabled firemen to be unconstitutional.

**FIRE MARSHAL**—The Commissioner of Insurance is required to investigate fires which may be brought to his attention by official report, or other-

wise, provided that when an examination is made on the application of any fire insurance company, the necessary expenses attending the same shall be paid by such company. He may inspect any building or premises except dwellings, and require owner to remedy dangerous conditions.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—Not required.

**GENERAL PENALTY**—Sec. 574. "Any person who engages in or exercises any business, employment or profession without a license, if a license be required by law, or in any manner violates the license or revenue laws of this State, if no specific fine is imposed for such violation, shall pay a fine of not less than \$30, nor more than \$1000 for each offense." Any company failing to pay taxes, fees or charges due, shall cease business in the State; and any agent or employee of a company in default, who shall transact business for such company while it is in default, shall be liable to a fine of \$50 to \$200, and to imprisonment for thirty to fifty days. Any violation of the Code of Virginia for which no penalty is prescribed is punishable by a fine of \$20 to \$200.

**IMPAIRMENT**—Whenever a domestic company becomes impaired, the Commissioner may be authorized by the circuit court to administer its affairs. When a "foreign" company becomes insolvent, the Commissioner may be similarly authorized to take possession of its property in Virginia and distribute it among those entitled to it.

**INVESTMENTS PRESCRIBED**—No provision.

**LICENSED BROKERS**—Act of February 19, 1904 (as amended March, 1916), Sec. 83. "No person shall, without a license, act as an insurance broker. Every person who shall solicit for compensation, directly or indirectly, to be derived therefrom any fire, marine, life or other insurance, either on account of any person desiring to effect any such insurance, or on account of any insurance company, except the duly authorized agent (or a clerk actually employed in his office) of any insurance company licensed to do business in this State, shall be deemed an insurance broker." An agent doing insurance business, except for company for which he is duly authorized agent, is held to be a broker. This shall not apply to duly authorized agents exchanging business among themselves. No licensed broker may place insurance with an unauthorized company. Sec. 84: "An insurance broker shall pay the sum of \$100 for the privilege of transacting such business." Penalty for acting as broker without license, \$50 to \$500 for each offense.

**LIMIT ON A SINGLE RISK**—Ten per cent of the capital and surplus; mutual companies, five per cent of cash assets. Any excess must be re-insured in an authorized company. Assessment mutual companies are exempt. Penalty for violation, revocation of license. Limit for company doing more than one kind of business, as provided in Chapter VI, 20 per cent of capital and surplus.

**LLOYDS**—Sec. 4200. "The words 'insurance company' or 'insurance com-

panies' as used in this act shall be held to mean and include any association, society, company, corporation, joint stock company, individual, partnership, trustee or receiver engaged in the business of assuming insurance risks upon persons or property in this State, except fraternal benefit orders, associations or societies, as defined and regulated in Chapter 5 of this act. \* \* \*

MISCELLANEOUS—Sec. 4306. "That in all cases where policies of insurance have been issued or are hereafter issued by fire insurance companies doing business in this State containing a provision that in case of loss by fire or otherwise, less than the amount stated on the face of the policy upon which the premium is paid, or only a certain portion of the value of the property at the time of the loss, shall be paid under the provisions of said policy, and the amount ascertained to be due in accordance with the provisions of the policy after the loss occurs, shall be less than the amount upon which the premium was paid it shall be the duty of the company that issued said policies to refund to, and said company is hereby required to refund to the policyholder or holders the premium paid on the amount which constitutes the difference between the amount stated on the policy upon which the premium was paid and the amount paid thereunder, with interest thereon from the time of payment of such premium; but this section shall not apply to cases in which there is a partial loss by fire and the policy is continued in force as to the residue of the amount named in the policy." Any provision inserted in a policy for the purpose of providing against the enforcement of this section shall be void. No policy provision is binding upon the insured unless printed in type as large as, or larger than, brevier or eight point type, or written upon the policy with pen and ink or typewriter. No answer of insured in an application will bar recovery unless proved to have been wilfully false or fraudulently made, or that it was material. The arbitrators and umpire selected to appraise a loss must be citizens and actual residents of Virginia, unless otherwise agreed between the parties. Sec. 4312. "\* \* \* That it shall be unlawful for any fire insurance company, association, or partnership authorized to do business in this State to enter into any compact or combination with other fire insurance companies, associations, or partnerships to make or require their agents or employees to enter into any compact, agreement, or pledge for the purpose of governing or controlling the commissions or compensation paid said agents." Penalty for violation, fine of \$250 to \$500, and revocation of license. Affidavit of compliance required annually, March 31. No provision limiting the time in which suit may be brought under a policy, to less than one year after loss shall be valid. The Commissioner of Insurance is required to investigate complaints as to excessive rates for insurance. Company promotions are under the supervision of the Commissioner of Insurance.

Sec. 4313. "That every fire insurance company shall conduct its business in this State in the name by which it is incorporated, and the

policies issued by it shall be headed or entitled by such name. There shall not appear on the face of the policy or on its filing back anything that would indicate that it is an obligation of any other than the company responsible for the payment of losses under the policy, and the name or names of any fire insurance companies issuing policies through an underwriters' agency shall be stamped or printed on each policy issued by such underwriters' agency, and shall show on each such policy the name of such company or companies, and, where there is more than one company, their proportion of liability under said policies shall be distinctly stated therein.

"The words 'underwriters' agency,' as used in this act, shall be held to apply to a company or companies who issue policies severally or jointly under a name other than their own corporate name, or under a contract or agreement with any individual, partnership, corporation or association through whom such policies may be issued.

An underwriters' agency shall pay an annual specific license tax of two hundred dollars, and shall also deposit with the State Treasurer bonds equal in amount to those deposited by the company or companies whose policies they issue. The "Blue Sky Law" regulating the organization of new companies and the sale of their stock was passed during 1916. Amortized security valuations may be used by fire companies in preparing annual statements.

**MUTUAL COMPANIES**—Domestic mutual companies may be incorporated and mutual companies of other States may be admitted under certain conditions.

**PRELIMINARY DOCUMENTS**—Company must make required deposit. It must also file with State Corporation Commission two certified copies, and with the Commissioner of Insurance one certified copy, of charter; triplicate power of attorney, resolution of board of directors that service upon the Secretary of the Commonwealth shall be valid service upon the company, and certificate of Auditor of Public Accounts showing payment of charter fee. Copies of charters and powers of attorney need be filed but once.

**PUBLICATION**—None required. Any publication must be in accordance with company's last sworn report filed with the Bureau of Insurance.

**RECIPROCAL INSURANCE**—Act of March 20, 1918, provides for reciprocal or inter-insurance contracts, which may be made through an authorized attorney. The latter must file a declaration showing name and kind of insurance to be effected; copy of policy form and of power of attorney; location; applications made for indemnity upon at least 75 separate risks aggregating not less than \$1,500,000; assets equal to \$75,000 or to 50 per cent of deposits on one-year policies and for pro rata on longer ones; and a financial statement. Secretary of the Commonwealth must be authorized to accept service of process, and provision must be made for suits under policies being brought in county where insured property is located. No

subscriber shall assume liability exceeding 10 per cent of his net worth. See "Lloyds."

**RECIPROCAL LAW**—Sec. 4233. "If, by the existing or future laws of any State an insurance corporation of this State having agencies in such other State, or the agents thereof, shall be required to make any deposit of securities in such other State for the protection of policyholders or otherwise, or to make payment for taxes, fines, penalties, certificates of authority, license fees or otherwise, greater than the amount required by this chapter from similar corporations of such other State by the then existing laws of this State, then and in every such case, all insurance corporations of such State established or heretofore having established an agency or agencies in this State, shall be, and they are hereby, required to make the like deposit for the like purposes with the Treasurer of this State, and to pay the Commissioner of Insurance for taxes, fines, penalties, certificates of authority, license fees and otherwise, an amount equal to the amount of such charges and payments imposed by the laws of such other State upon the insurance corporations of this State and the agents thereof."

**REINSURANCE**—No restriction, except that, when the risk reinsured is in excess of ten per cent of the capital and surplus of the company, the excess must be reinsured in an authorized company.

**REINSURANCE RESERVE**—On marine risks, voyage, 100 per cent; time, one year or less, 50 per cent; over one year, pro rata.

**RESIDENT AGENTS**—Sec. 4222. "That fire \* \* \* insurance companies not incorporated by the laws of the State of Virginia, but legally authorized to do business in this State, shall not make contracts of insurance on \* \* \* property herein save through regularly constituted agents of such companies residing in the State of Virginia; provided, however, that this section shall not apply to railroad companies and other common carriers engaged in interstate commerce; and the writing, placing, or causing to be written or placed, any policy of fire \* \* \* insurance in contravention of this section is hereby declared to be a violation of the laws of this State providing for the payment of taxes by foreign and alien insurance companies permitted to do business in Virginia." Marine and inland transportation insurance policies must be written or countersigned by resident agents. Affidavit of compliance must be filed annually. Penalty for violation, \$100 to \$500 for each offense, and revocation of license for ninety days, and until all taxes and penalties have been paid.

**SEMI-ANNUAL STATEMENTS**—Not required.

**STANDARD POLICY**—None prescribed. See "Miscellaneous." Policy of a mutual company must have attached a printed copy of its by-laws and regulations. Clauses, etc., must be printed in type as large as brevier or eight point or "written in pen and ink or typewriter."

**TAXES**—Sec. 23. "Every person, partnership, company or corporation, which

contracts on his, their or its account to issue policies or contracts for or agreements for \* \* fire, marine, \* \* tornado, automatic sprinkler, \* \* and all like insurance, shall pay an annual license tax based on the gross premium income derived from business in this State during each year ending the thirty-first day of December prior to the year for which such license tax is to be paid for the privilege of doing business in this State. The license year shall expire on the thirtieth day of April of each year. No license shall be issued for less than a year, except to a person, partnership, company or corporation, when he, they or it first commenced business in this State, in which case the license shall be issued for that part of the year from the date of the issuance of the license to the thirtieth of April following, and the tax thereon shall be two hundred dollars if the said license period be one year, otherwise the first year's license tax shall be such proportion of the two hundred dollars' license tax as the space of time between the issuance of the license and the thirtieth of April following bears to the whole year. The license tax herein provided shall be paid into the State treasury on or before the first day of April of each year, but the Auditor of Public Accounts shall not receive the same until the Commissioner of Insurance has notified him in writing, showing the amount due, which information the Commissioner of Insurance shall furnish to the Auditor of Public Accounts on or before the fifteenth day of March of each year \* \* \*. Every such person, partnership, company or corporation, \* \* shall pay into the State treasury, as hereinabove provided, a license tax of two and three-fourths per centum upon the gross amount of all premiums, assessments, dues and fees collected, received or derived, or obligations taken therefor, from business in this State during each year ending the thirty-first day of December, without any reduction for dividends paid, or deduction on any other account, except for premiums returned upon canceled policies, and premiums paid for reinsurance upon business in this State in companies duly authorized to do business in this State \* \* \*. Provided, That any such insurance companies chartered by and doing business solely in this State which are purely mutual and have no capital stock, and are not designed to accumulate profits for the benefit of, or pay dividends to, the members thereof, or any insurance company chartered by and doing business solely in this State, with a capital stock not exceeding twenty-five thousand dollars and which pays losses from assessments against it policyholders or members, shall pay a license tax of one per centum \* \* \*." This shall not apply to mutual fire insurance companies chartered in Virginia and doing a local business only, as defined by an act approved March 7, 1904, nor to Sec. 28 of Chap. 1, and Sec. 14 of Chap. 2, of an act concerning the Bureau of Insurance, approved March 9, 1906, providing that the expenses of maintaining the Bureau of Insurance shall be paid by the insurance companies doing business in Virginia, and providing that the expenses of keeping the bonds deposited with the Treasurer of the State shall be paid by the insurance company depositing

same. Tax shall be paid to State Treasurer. Tax payable by reciprocal exchange is \$200 or pro rata thereof to April 30 following, and thereafter  $2\frac{3}{4}$  per cent of gross premium or deposit income, payable on April 1.

Sec. 26. "The real estate and tangible personal property, situated or located in this State, of every person, partnership, company or corporation, whether organized by the laws of another State or country, or organized under the laws of this State, and doing an insurance business in this State, shall be listed and assessed on the land and property books of the Commissioners of the Revenue in the same manner as other real estate and tangible personal property is assessed, and shall be taxed at the same rate as other like property is taxed in this State.

The license tax on gross premiums, as provided in Sec. 23, and the tax on real estate and tangible personal property herein provided to be paid by every person, partnership, company or corporation doing such an insurance business in this State, shall be in lieu of all other license fees, taxes and levies whatsoever for State, county, municipal or local purposes, which shall be construed to include their agents, except that the certificate fee of one dollar required to be paid by all such agents to the Bureau of Insurance shall be paid by them as heretofore.

Sec. 4194. "The expenses of maintaining the said Bureau of Insurance shall be assessed annually against the companies, foreign, alien and domestic, of the classes mentioned in this chapter, doing business in this State, except fraternal benefit orders, associations or societies, as defined and regulated in Chap. 171 of this act, in proportion to their respective gross premiums, assessments or dues, on business done in this State, not exceeding one-tenth of 1 per centum on the gross amount of the premiums, assessments, or dues of each of such companies, to be apportioned and assessed against such companies and by them to be paid as prescribed in the next succeeding section of this chapter."

**TAX STATEMENTS**—Must be filed by March 1, showing business of the preceding calendar year. Penalty for failing to report, \$50 per day; for failure to pay tax, revocation of license and addition of 10 per cent to amount of tax. See "Taxes." The act of March 9, 1906 (as amended March 15, 1908) assessing the expenses of the Bureau of Insurance upon the insurance companies, provides that such companies shall annually report, on or before May 1 upon forms to be furnished by the Commissioner of Insurance, the amount of their gross premiums during the preceding calendar year.

**VALUED POLICY**—No statutory requirement.

### COUNTY TAXES

Now prohibited by law.

### MUNICIPAL TAXES AND FEES.

Prohibited by Sec. 26a, Insurance Law. (See under "Taxes.")

**CALENDAR—VIRGINIA**

On or before

- Jan. 31 Fee payable to State Treasurer for holding deposits.
- March 1 Annual statement must be filed (time may be extended 60 days).  
Tax statement must be filed.  
Annual registration fee is payable.
- April 1 Premium tax is payable.  
Underwriters' agency fee payable.
- April 30 Affidavit of compliance with Resident Agents Law must be filed.  
Company license must be secured. Separate license required for each underwriters' agency.
- May 1 Tax payable for maintenance of Bureau of Insurance.  
Premium report for Bureau of Insurance tax must be filed.
- July 1 List of local agents must be filed.
- July 15 Agents' licenses must be procured.
- Ann'l Election Within 30 days after annual election names of officers and directors must be filed.



# WASHINGTON.

## STATE REQUIREMENTS.

**ADJUSTERS' LICENSES**—An adjuster must secure an annual license expiring March 31, to adjust losses for authorized companies and unauthorized companies, on policies written through their duly licensed agents. "He shall also secure a license for each separate company for each loss adjusted by him for non-admitted or unauthorized companies on policies which have not been written by or through a regularly licensed agent for such companies in this State. Agents for licensed companies may adjust their own losses without procuring an adjuster's license.

**AGENTS DEFINED**—Insurance Laws, March 10, 1911, Sec. 2. "\* \* \* is a person, co-partnership, corporation, attorney, board or committee duly appointed and authorized by an insurance company to solicit applications for insurance, to be known as a soliciting agent, or to solicit applications and effect insurance in the name of the company, to be known as a recording or policy-writing agent, and to discharge such other duties as may be vested in or required of the agent by the company." Reciprocal law applies as to individual agent.

**AGENTS' LICENSES**—Agents must make application for license on blanks furnished by the Insurance Commissioner, which application must be approved by a company to be represented. Licenses expire annually March 31. A license issued to a firm or agency corporation permits each member of the firm or officer of the corporation to solicit or effect insurance, but the names of such members or officers shall be specified and appear in the license. See "Reciprocal Law."

**ANNUAL STATEMENTS**—Must be filed on or before February 15, showing condition as of December 31 preceding. Penalty for non-compliance \$25 for each day of delinquency. Alien companies must file capital statements in February. No other statement is required annually.

**ANTI-COINSURANCE**—No provision.

**ANTI-COMPACT**—Insurance Code, Sec. 32 (as amended in 1915). "It shall be unlawful for any insurance company authorized to transact business in this State, or any manager, or any agent or representative thereof, or solicitor or broker to, either within or outside of this State, directly or indirectly, enter into any contract, understanding, or combination, with any other insurance company, or any manager, or any agent or representative thereof, or solicitor or broker, or to jointly or severally do any act or engage in any practice or practices for the purpose of controlling the rates to be charged for insuring any risk, or class or classes of risks, in this State, or for the purpose of discriminating against or differentiating from any company, manager, agent, solicitor or broker by reason of its or his plan or method of transacting business or its or his affiliation or non-affiliation with any board or association of insurance companies, managers,

agents, representatives, solicitors or brokers, or for any purpose detrimental to free competition in the business or injurious to the insuring public. Whenever the Commissioner shall have knowledge of any violation of this section, he shall forthwith order such offending company, manager, agent, representative, solicitor or broker to immediately discontinue such practice or show cause to the satisfaction of the Commissioner why such order should not be complied with. Within thirty days from the receipt of such order, and upon failure to comply with such order, the Commissioner shall forthwith revoke the license of such offending company, agent, solicitor or broker, and no renewal of the license so revoked shall be granted within three years from the date of revocation." See "Rating Schedules to be Filed."

**ANTI-REBATE**—Insurance Code, Sec. 33. "No insurance company, by itself or any other party, and no licensed insurance agent, solicitor, or broker, personally or by any other party, shall offer, promise, allow, give, set off, or pay, directly or indirectly, any rebate of, or part of, the premium payable on the policy, or on any policy, or agent's commission thereon, or earnings, profit, dividends, or other benefit founded, arising, accruing or to accrue thereon, or therefrom, or any other valuable consideration or inducement to or for insurance, on any risk in this State now or hereafter to be written, which is not specified in the policy contract of insurance; nor shall any such company, agent, solicitor, or broker, personally or otherwise, offer, promise, give, sell, or purchase any stocks, bonds, securities, or property, or any dividends or profits accruing or to accrue thereon, or other thing of value whatsoever as inducement to insurance or in connection therewith which is not specified in the policy. The license of any insurance company, agent, solicitor, or broker who violates the provisions of this section shall be revoked and no license shall be issued to such company, agent, solicitor, or broker within one year from the date of the revocation of the license \* \* \*." The acceptance of any rebate is also forbidden.

**ATTORNEY**—The Insurance Commissioner must be appointed to accept service of legal process.

**CANCELLATION OF POLICY**—Policies may be canceled upon five days' notice. Members of mutual companies may withdraw on five days' notice, but cannot escape statutory liability for losses prior to cancellation.

**CAPITAL REQUIRED**—Stock company must have capital of at least \$200,000 to transact fire and inland marine insurance, with \$100,000 additional if ocean marine or automobile (all kinds) insurance is written, and \$50,000 additional if plate glass, sprinkler and motor vehicle (excepting against the hazard or injury to persons) insurance is written. To write all of foregoing classes companies must have \$350,000. \$450,000 if full coverage of automobiles is desired in conjunction with all the other classes enumerated. Provision is made by an amendment of 1919 for the writing of fidelity and surety insurance so far as it applies to the performance of automobile contract of sale and for chattel mortgage, and also for the writing of in-

insurance upon any risk not included in a definite class of insurance, and which is a proper subject for insurance, not prohibited by law nor contrary to sound public policy, when company has additional capital of at least \$200,000. Domestic companies are also required to have a surplus of at least \$50,000.

**COMMISSIONS TO NON-RESIDENTS**—Commissions must be paid to residents of the State who are licensed as agents. Commissions may not be divided with non-resident agents, but may be with a licensed non-resident broker.

**DEPOSIT**—A Law of 1915, Sec. 24, provides that like deposits shall be required of such companies whose home State requires deposits from Washington companies.

**DOMESTIC COMPANIES**—Insurance Code, Sec. 84. “\* \* \* No stock insurance company shall make insurance in this State under class 1 of section 83 of this act, without having capital stock of at least \$200,000, of which not less than one-half must be paid in in cash or like securities authorized by this act, and the remainder, in cash or like securities, paid within one year after the company is incorporated, and a surplus of not less than \$50,000. \* \* \*” Not less than the respective numbers named of citizens of the United States, two-thirds of whom must be residents in Washington, may incorporate domestic companies as follows: Stock, five; mutual, ten; Lloyds, twenty; inter-insurers, twenty-five. Duly acknowledged articles of incorporation must be filed with the Secretary of State, the Insurance Commissioner and the Auditor of the county in which principal office is located. Number of trustees or directors, five to eleven. Name must not closely resemble that of another company. Expense of incorporation and organization, including placing of stock, must not exceed  $7\frac{1}{2}$  per cent of par value of stock sold. Stockholders are liable for debts, beyond par value, up to 100 per cent of par value. By an amendment of 1913 companies organized before passage of the 1911 code are given four years from 1912 to meet requirements.

**EXAMINATIONS**—Each domestic company must be examined at least once each year and whenever the Commissioner deems it prudent. Outside companies may be examined whenever the Commissioner deems it advisable. Penalty for refusing to permit examination, revocation of license. Penalty for failure to obey subpoena or refusal to be examined as a witness and give evidence, same as though subpoena had been issued by a court having jurisdiction in equity and common law. See “Impairment.”

**FEES**—For filing articles of incorporation or certified copies of articles, etc., \$25; for filing amended articles of incorporation, etc., \$10; for issuing certificate of authority or renewal, \$10, expires March 31; for filing annual statement of condition and business in the State, \$20; for filing any other papers, \$1; for furnishing copies of papers on file, 20 cents per folio; affixing seal, \$1; for each agent's (one to firm), \$2; solicitor's license, \$2 issued to individuals only; for adjuster's license, \$10; for each

broker's license, \$100; for each agent's license to deal with unauthorized companies, \$100; for examinations, witness fees and mileage; for filing power of attorney, \$1; for service of process on Commissioner, \$2; non-resident special agents, \$5. Fees and taxes for mutual companies are same as for stock companies. Domestic and foreign companies are on the same basis. Fees payable to Insurance Commissioner.

**FIRE DEPARTMENT TAX**—No provision.

**FIRE MARSHAL**—Appropriation to Insurance Commissioner who is ex-officio State Fire Marshal.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—Not required.

**GENERAL PENALTY**—Sec. 102. "Any company or person who knowingly violates any provision of this act for which no penalty is provided, shall be deemed guilty of a misdemeanor and shall be punished as provided by law."

**IMPAIRMENT**—If upon examination the Commissioner finds a company to be in unsound condition, he shall revoke or suspend all certificates of authority and licenses granted to such insurance company, its officers or agents. If the capital of a domestic company is impaired it shall be notified to make good the impairment with cash or investments or by reducing its stock not below statutory requirements within ninety days, and if impairment is not so made good, the company shall be deemed insolvent. Trustees, directors and officers of a company are liable for losses accruing upon new risks taken after the expiration of such time and before the deficiency is made good. Provision is made for the Insurance Commissioner to liquidate delinquent companies.

**INVESTMENTS PRESCRIBED**—The law regulating investments was repealed in 1919 and no new law was substituted.

**LICENSED BROKERS**—Insurance Code, Sec. 100. "Any person or party who solicits fire, marine, casualty, liability, or surety business to be placed in an insurance company other than represented by him shall be deemed and considered as transacting a brokerage business and shall be required to procure a broker's license; provided, that nothing in this act shall be considered as prohibiting duly licensed, bona fide recording agents from exchanging with each other any of the lines of business enumerated in this section for which such agent is licensed and paying or dividing commissions on business so exchanged." Broker so licensed shall deal only with admitted companies. Provision is made in section 75 for the licensing of brokers or agents to deal with unauthorized companies upon filing a bond for \$500 to \$2000 to comply with the law. Such broker or agent must file a statement on or before February 15 yearly, showing business transacted in the preceding year, and shall pay to the State Treasurer, through the Commissioner's office, by March 1 the same tax that is required of admitted companies. Affidavits are required of the licensed agent and the parties for whom he procures insurance. Penalty for failing to file statement and to pay taxes, \$25 for each day of delinquency and for any

violation of the law the license shall be revoked and no license shall be issued to such agent for at least one year, nor until all taxes and fines are paid. A non-resident may be licensed as a broker.

**LIMIT ON A SINGLE RISK**—Ten per cent of paid-up capital in the United States, on a single risk, or a single block in the congested district of any city or town. Limit for other State mutual company, ten per cent of surplus assets, unless protected by simultaneous reinsurance. The capital of an alien company is interpreted as being the aggregate value of such sums or securities as the company may have on deposit with the Department of Washington and of other States of the United States for the benefit of policyholders in the United States, excepting such sums as are held by other States for the special protection of policyholders in such States, and of all mortgage loans legally made, and of all other assets and property legally invested if such mortgage, assets and property shall be held in the United States by trustees or citizens of the United States or deposited with a trust company for the benefit of all policyholders in the United States; after making deductions for liabilities, including unearned premiums as required in Washington.

**LLOYDS**—Provision is made for the formation of Lloyds associations to consist of not less than twenty citizens of the United States, two-thirds of them residents of Washington, each of whom must be worth not less than \$20,000. Such association to transact fire and inland marine insurance, must have at least \$150,000 of unimpaired assets, of which not less than \$75,000 must be in cash and securities such as domestic companies may invest their funds in. Such association must deposit not less than two-thirds of its assets with the State Treasurer. Policies of a Lloyds must have the name and address of each underwriter printed on the back.

**MISCELLANEOUS**—Joint policies may be issued by two or more companies, but the names of the companies must appear thereon, and such companies shall be jointly and severally liable thereon. No policy shall be issued requiring such contract to be construed according to the laws of any State or country or depriving the courts of Washington of the jurisdiction of action against such company to a period of less than one year from the time when the cause of the action accrues. Misrepresentation does not avoid a policy unless made with intent to deceive. Overinsurance and policies for longer than five years are prohibited. No policy fee not specified in the policy shall be collected. Before paying insurance on a fire loss, company or agent must ascertain whether or not taxes have been paid on the insured property, under the revenue law. This use of company funds is embezzlement.

Companies may be sued in any county in which the action arises by serving process upon the company if a domestic one, and upon the Insurance Commissioner if an alien or foreign company. An act of 1919, Chap. 209, allows a bank to act as an insurance agent in towns of less than 5000 inhabitants.

**MUTUAL COMPANIES**—See “Domestic Companies.” The articles of incorporation must state the minimum and maximum liability of members (two to six times the premium usually charged by solvent stock companies for similar risks, or, if not known, premiums according to “Dean” or “Universal Mercantile” schedules), and other customary details. If on cash premium plan, must have applications, for not exceeding \$2000 each, aggregating \$500,000, with at least \$8000 in premiums and \$6000 surplus, except reinsurance reserve. Provision is also made for assessment and class mutual companies. Sec. 88. “No alien or foreign mutual insurance company shall be licensed to make insurance in this State until it shall have accumulated from its underwriting business and earnings surplus assets of not less than \$100,000, and shall have a reinsurance reserve computed on a pro rata basis.” Sec. 86 (Ins. Code) provides that mutual companies may issue non-assessable policies.

**PRELIMINARY DOCUMENTS**—Company must file copy of charter, or articles of incorporation, and by-laws, with amendments and duly certified statement. If not incorporated, a certificate stating nature of business, location of principal office, names of members and officers of association, and amount of capital stock therein employed. Certificate of compliance with laws of company's home State is expected to accompany annual statement. Certificate of deposit must be filed by foreign company.

**PUBLICATION**—None required. Advertised figures must agree with those filed.

**RATING SCHEDULES TO BE FILED**—Insurance Code, Sec. 73 (as amended in 1915). “Every insurance company, excepting a marine insurance company, before it shall receive a license to transact the business of making insurance as an insurer in this State, must file in the office of the Insurance Commissioner its rating schedules. Every such company and its agents shall observe its rating schedules and shall not deviate therefrom when making insurance until amended or correcting rating schedules shall have been filed in the office of the Insurance Commissioner. Any company which shall make fire insurance in this State according to advisory rates, or a stated deviation or deviations therefrom, furnished by a rating bureau as provided in the following section, may receive a license to transact the business of making fire insurance in this State, without filing rating schedules, by filing written notice in the office of the Insurance Commissioner of its adoption of such advisory rates, stating the deviation or deviations therefrom, if any, at which it will make insurance, which deviation or deviations, if any, shall be uniformly applied to all purchasers of insurance from any such company, in this State, in the class or classes to which such deviation or deviations shall apply.” Sec. 74. “Any person or persons or co-partnership, resident within this State, or a domestic corporation, may organize or maintain a rating bureau, for the purpose of inspecting and surveying the various municipalities and fire hazards in this State, and the means and facilities for preventing, confining, and extinguishing fires, for

the purpose of estimating fair and equitable rates for insurance, and to furnish to municipalities, owners of property, insurance companies, agents, solicitors, or brokers, information and advice as to measures to be adopted for the reduction of fire hazards on property within this State, and lessening the cost of insurance thereon. The business of conducting a rating bureau in this State is public service in character and shall be conducted without profit to any party, except that fair and reasonable compensation shall be paid for all services actually rendered, and necessary to the business. Every rating bureau shall, before publishing or furnishing any rates, file in the office of the Insurance Commissioner its rating schedules, and shall not deviate therefrom until amended or corrected rating schedules shall have been filed in the office of the Insurance Commissioner. The services of such rating bureau shall be available, equally and ratably in proportion to the service rendered, to any and all insurance companies, agents, brokers, and property owners. Each rating bureau shall keep an accurate and complete record of all work performed by it, which record must show all receipts and disbursements, and be open at all times to the inspection and examination of the Commissioner, his deputy, or examiner. No rating bureau operating under the provisions of this act shall, directly or indirectly, examine, stamp, or pass upon any "daily report" of policies issued by any company on property located within this State. Any person or party who knowingly violates any provision of this or the preceding section shall be punished by a fine of not less than fifty dollars nor more than five hundred dollars."

**RECIPROCAL INSURANCE**—Provision is made for the formation of inter-insurance associations to consist of not less than twenty-five persons or parties, each worth at least \$20,000 in Washington property.

**RECIPROCAL LAW**—Sec. 47. "If, by the laws of any other State, any taxes, fines, penalties, licenses, fees, deposits, or other obligations or prohibitions, in the aggregate, additional to or in excess of those imposed by the laws of this State, upon foreign insurance companies and their agents and solicitors, are imposed on insurance companies of this State and their agents doing business in such State, like obligations and prohibitions shall be imposed upon all insurance companies of such State and their agents doing business in this State, so long as such laws remain in force."

**REINSURANCE**—No prohibition of reinsurance in unauthorized companies, except those of foreign countries not admitted to nor having a deposit in the United States; and this prohibition does not extend to marine risks. Reinsurances must be reported annually.

**REINSURANCE RESERVE**—Pro rata of the amount received for premiums on all unexpired risks.

**RESIDENT AGENTS**—Sec. 36. "It shall be unlawful for any insurance company admitted to do business in this State to write, place or cause to be written or placed, any policy of insurance covering risks located in this State, except through or by a duly authorized licensed agent of such com-

pany residing and doing business in this State; provided, that where the insured calls at the principal office of the company and requests a policy, the risk may be covered and the policy procured through the duly authorized agent in the territory wherein risk is located. \* \* \*

A licensed agent cannot solicit business for a company for which he is not licensed. A licensed agent of a given company may accept business through a general agent of the same residing in another State, and may accept or pay commission on same; and he may pay commissions to a licensed broker in Washington, but he cannot place business with a broker and receive a commission therefor. A licensed agent cannot pay commissions to anyone except a licensed broker, or to a licensed agent exchanging same class of business. Solicitors can only place business through the agency for which they are licensed, and can only receive salary or commissions from such agency. Agreement not to write Washington risks except through resident agents (except reinsurance from authorized companies) must be filed with Insurance Commissioner. Washington risks embraced in a blanket policy must be written through resident agents. Non-resident special agents may be licensed, but they must not accept commissions or write policies though they may assist local agents in procuring same.

**SEMI-ANNUAL STATEMENTS**—None required.

**STANDARD POLICY**—The old New York Standard form is prescribed, but cannot be designated as New York Standard Policy. It must be entitled "Standard Fire Insurance Policy" or "Washington Standard Policy." (Old New York form will be used until changed by statute.)

**TAXES**—A tax of two and one-quarter per cent on all premiums collected or contracted for, less return premiums and reinsurance premiums paid to admitted companies, is payable to the State Treasurer through the Insurance Commissioner's office. If fifty per cent or more of a company's assets is invested in bonds or warrants of the State of Washington or of any county, city or district in that State, or in taxable property, or first mortgages upon improved real estate in that State, the tax on premiums shall be but one per cent. Taxes are due March 1.

**TAX STATEMENTS**—Annual tax statements be filed. See "Taxes."

**VALUED POLICY**—Insurance Code, Sec. 105½. "Whenever any policy of insurance shall be hereafter written or renewed insuring real property or any building or structure erected thereon or connected therewith, and the property insured shall be wholly destroyed, without criminal fault on the part of the insured, or his assigns, the amount of insurance written in such policy shall be taken conclusively to be the true value of the property when insured, and the true amount of the loss and measure of damages when destroyed. In case there is a partial destruction of the property insured, no greater amount shall be collected than the injury sustained; provided, that the insurer shall have the option to repair, rebuild or replace the



property lost or damaged with other of like kind and quality if he gives notice of his intention so to do within twenty days after the receipt of notice of loss; provided, such insurer shall, within thirty days from receipt of notice above, commence such rebuilding or replacing and shall diligently prosecute the same to completion, and shall pay to the insured the reasonable rental value of the premises with the buildings thereon from the date of loss to the date of such completion."

### COUNTY TAXES AND FEES.

None.

### MUNICIPAL TAXES AND FEES.

POMEROY—For each agent, \$5, payable January 1.

### On or before **CALENDAR—WASHINGTON**

Feb.	15	Annual statement must be filed. Certificate of compliance must be filed. Certificates of deposit must be filed by foreign companies. Tax statement must be filed.
March	1	Premium tax is payable.
March	31	Certificate of authority of company expires.
April	1	Agents' and adjusters' licenses must be secured. Company license must be secured. Special agents' licenses must be obtained for those employed in Washington.

# WEST VIRGINIA.

## STATE REQUIREMENTS.

**AGENTS DEFINED**—No statutory definition.

**AGENTS' LICENSES**—Chap. 34, Sec. 56. “\* \* \* No person shall act as agent of any insurance company, corporation, association, partnership or combination of persons incorporated, organized, associated, or combined under or by virtue of the laws of this or any other State of the United States or any foreign country, directly or indirectly taking risks or transacting any kind or form of insurance business in this State, without procuring from the Insurance Commissioner a certificate of authority, stating that such company, corporation, association, partnership, or combination of persons, has complied with all the laws of this State relative to such companies, corporations, associations, partnerships, or combinations of persons, which certificate shall continue in force until the first of March next after its issue unless revoked for cause.” As amended in 1913 the application for agents' licenses must be accompanied by properly executed answers to questions tending to establish fitness, competency and trustworthiness of the agents. Licenses may be revoked when agent does not measure up to a proper standard of competency and trustworthiness. An amendment of 1913 requires a license for solicitors defined to be the representative of the employing local agent who is responsible as principal for the acts of his solicitors. Penalty for violation, fine not exceeding \$500. Agent acting for an unlicensed company becomes personally liable for all contracts made by or through him on behalf of such company. Applications for licenses should be made by company officials under seal. License required for each member of an agency firm.

**ANNUAL STATEMENTS**—Must be filed in January, showing condition as of December 31 preceding. Certificate of compliance issued by insurance officials of company home State must accompany annual statement. Summary and classification of business in all States must be filed with annual report. These and tax statements are only ones required annually, except that domestic companies file reports with tax Commissioner.

**ANTI-COINSURANCE**—No prohibition of use of coinsurance clauses.

**ANTI-COMPACT**—No law forbidding co-operation.

**ANTI-DISCRIMINATION**—Sec. 15 (Revised Laws of 1913) provides (1) that the entire contract shall be expressed in the policy, and (2) that neither the insurer nor its representative shall offer or give any valuable consideration to the insured which is not specified in the policy contract of insurance, nor shall the insured accept any such valuable consideration.

**ATTORNEY**—The Auditor of State must be empowered to accept service of legal process.

**CANCELLATION OF POLICY**—At least five days' notice to insured is required, with return of unearned premium.

**CAPITAL REQUIRED**—Company must possess at least \$100,000 of actual capital, invested in approved securities. A mutual company having \$100,000 of available cash assets may be licensed.

**COMMISSIONS TO NON-RESIDENTS**—Commissions must be received by resident agents. Non-residents are not allowed to act as agents for fire or miscellaneous companies.

**DEPOSIT**—None required except from domestic companies. Foreign company must have \$200,000 on deposit in some State in assets, in which domestic companies are permitted to invest. See "Investments Prescribed."

**DOMESTIC COMPANIES**—Chap. 77, Laws of 1907. Five or more persons may form a company by signing and acknowledging agreement, and paying in ten per cent of capital. Agreement and certificate of payment of ten per cent of capital must be filed with the Secretary of State. Company must be examined and licensed by the Insurance Commissioner, and no company will be licensed until at least \$100,000 has been paid in. Sec. 74. No charter to be issued until approved by the Insurance Commissioner.

**EXAMINATIONS**—Code, Chap. 34, Sec. 3. "The Insurance Commissioner may from time to time examine the methods of business of any company, corporation, association, partnership, or combination of persons doing any kind or form of insurance business in this State and may require them to answer such questions as he may think necessary for the purpose of such inquiry; and if in his opinion any such company, corporation, association, partnership or combination of persons is doing business in an illegal, improper or unjust manner, or failing to adjust and pay losses and obligations as they become due." Sec. 15 (i), Laws of 1907 provides that a company withdrawn from the State remains subject to all requirements of the Department as long as any West Virginia business remains on its books.

**FEES**—For receiving and filing annual statements, \$10; for certificate of authority (one for each member of firm), \$5; for examinations, expenses incurred; for Auditor's services as attorney, \$10 per annum (payable July 1); for license to company, \$10; for certificate of condition or copy of report, \$5; solicitor's fee, \$1; for filing any additional paper required by law, 25 cents. Fees payable to Insurance Commissioner.

**FIRE DEPARTMENT TAX**—No provision.

**FIRE MARSHAL**—The State Fire Marshal has charge of the investigation of all fires causing damage exceeding \$50, and all fires of unknown origin. See "Taxes."

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—Chap. 34, Sec. 42, relating to companies of foreign countries, provides that "every such insurance company shall, before admission to do business in this State, furnish to the Insurance Commissioner a copy \* \* \* of its annual report made in the country where it was organized, \* \* \* and it shall furnish annually \* \* \* a statement of its affairs in the United States \* \* \*."

**GENERAL PENALTY**—For offenses for which no specific penalty is provided, a fine not exceeding \$500.

**IMPAIRMENT**—No specific limit permitted. Domestic stock company must make good any impairment ascertained to exist. Sec. 39. (Mutual company.) "If the assets, less the unsettled claims and other absolute liabilities amount to less than the sum requisite for reinsurance, he (the Insurance Commissioner) shall call upon it to make up such deficiency within such reasonable time as he shall fix." On failure of company to comply with such requirement, he shall apply for an injunction to restrain it from doing further business, and shall revoke its license.

**INVESTMENTS PRESCRIBED**—The capital of a domestic company or the deposit required of a foreign company may be invested in stocks or bonds of some one or more of the States of the United States, or in the bonds of the United States, or in bonds secured by mortgage or deed of trust on real estate, worth double the amount loaned thereon, free from any prior incumbrance, and having undoubted title.

**LICENSED BROKERS**—No provision. See "Agents' Licenses."

**LIMIT ON A SINGLE RISK**—Chap. 34, Sec. 46. "No such insurance company shall insure against loss by fire or inland navigation nor expose itself to any such loss by any one risk, for any greater amount in proportion to its capital than companies which are organized under the laws of this State."

**LLOYDS**—Chap. 34, Sec. 76. "Whenever the word company is used in this act it shall be held to include corporations, associations, partnerships or individuals."

**MISCELLANEOUS**—Sale of stock and incorporation of company is properly supervised by an act effective February 8, 1915. Companies now or hereafter licensed to transact fire or marine insurance may in addition issue policies covering the hazard of fire and theft of automobiles. Companies operating under the blue-sky law must file a statement with the State Auditor showing their condition as of June 30.

**MUTUAL COMPANIES**—Provision is made for organization of farmers and other mutual companies. Policy must specify amount of insured's liability. Mutual companies must report to the Auditor.

**PRELIMINARY DOCUMENTS**—Company must file with the Insurance Commissioner a certified copy of its charter or articles of association, written appointment of Auditor as attorney, and a certified statement showing its financial condition and obtain a certificate of authority to do business in the State.

**PUBLICATION**—Not required.

**RATING SCHEDULES TO BE FILED**—Chap. 20, Acts of 1913, places all bodies suggesting, approving or making rates for more than one underwriter under the supervision of the Insurance Commissioner, and requires the filing of rating schedules upon request by him.

**RECIPROCAL INSURANCE**—No provision. See "Lloyds."

**RECIPROCAL LAW**—No provision, except that mutual companies of West

Virginia must be permitted to do business in any State in which a mutual company seeking admission to West Virginia is located.

**REINSURANCE**—Chap. 16, Acts 1901, Sec. 2. "Every life or other insurance company which shall, in any manner whatsoever, accept the whole or any part of a risk on property located in this State, and shall transfer in any manner whatsoever to any company not authorized to transact business in this State, any risk or liability assumed by said first named company, or any part thereof, shall be liable to the penalty provided for under Sec. 7 of this act." Penalty for violation, \$100 to \$500; penalty for non-payment of fine within thirty days, revocation of license for one year, and until judgment is paid. Reinsurance policies need not be signed by resident agents. All reinsurance must be reported annually. Deduction of reinsurance premiums received in the statement of premiums for taxation is permitted when taxes are paid by the reinsuring company.

**REINSURANCE RESERVE**—Fifty per cent of gross fire premiums less return premiums and reinsurance received on risks not perpetual, and ninety-five per cent on perpetual risks; 100 per cent of ocean marine premiums, and forty per cent of time hull premiums.

**RESIDENT AGENTS**—Chap. 16, Acts 1901, Sec. 1. "That no fire or other insurance company or association not incorporated under the laws of this State, authorized to transact business herein, shall make, write, place, or cause to be made, written or placed, any policy, duplicate policy, or contract of insurance of any kind or character, or a general or floating policy upon property situated or located in this State, or upon life, except after the said risk has been approved in writing by an agent who is a resident in this State, regularly commissioned and licensed to transact insurance business herein, who shall countersign all policies so issued, and receive the commission thereon when the premium is paid, to the end that the State may receive the taxes required by law to be paid on the premiums collected for insurance on all property located in this State, and that no person shall pay or forward any premiums, applications for insurance, or in any manner secure, help or aid in the placing of any fire or other insurance, or effect any contract of insurance upon real or personal property, or upon life within this State, directly or indirectly, with any insurance company or association not of this State, or which has not been authorized to do business in this State." Sec. 6, excepts railroad property and property in transit. Penalty for violation, \$100 to \$500, and non-payment of judgment for thirty days is punishable by revocation of license for one year and until such judgment has been paid.

**SEMI-ANNUAL STATEMENTS**—None required, except tax statements in Wheeling.

**STANDARD POLICY**—Latest revised New York form is prescribed to be used.

**TAXES**—A tax of two per cent is levied upon the gross premiums collected in the State, less premiums returnable for cancellation, by all foreign insur-

ance companies, payable March 1. A bond may be required to secure the payment of the tax. Property of companies is taxed as is other property. Taxes payable to Insurance Commissioner. The law creating the office of fire marshal provides for a tax of one-half of one per cent on net fire premiums received in West Virginia during the preceding year, payable into the State Treasury on or before March 1, annually, for the maintenance of the office. Income tax of one-half per cent is levied by Act of May 21, 1915, on net income in the State, being the proportion of the entire net income of a company indicated by the proportion of the company's gross income, which is derived from business transacted in the State. Fire insurance companies have refrained from paying this tax, on the ground that it is unconstitutional. (Act of May 26, 1917, increased this by not more than one-quarter per cent, to be used for State Council of Defense War Fund, and to be levied during the present war only.) A representative of certain fire insurance companies notified the State Tax Commissioner that his companies would not file returns under the Income Tax law, on the ground that the law was considered to be unconstitutional. The State Tax Commissioner in August, 1916, stated that: "Where companies failed to make return the tax is arrived at from the best information this office is able to obtain." An Act of 1919 made the increase of  $\frac{1}{4}$  of one per cent permanent for the maintenance of the State Constabulary force. The act supersedes the State Defense Act. See "Reinsurance."

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**TAX STATEMENTS**—State, must be filed by January 31. Income tax report must be filed with State Tax Commissioner annually in the third month preceding the beginning of the license tax year. The form of report is substantially the same as for the United States Income Tax. City of Wheeling, must be filed by January 15 and July 15, for the periods or six months next preceding those months, respectively.

**VALUED POLICY**—Chap. 33, Acts of 1899. "All fire insurance companies doing business in this State shall be liable, in case of total loss by fire or otherwise, as stated in the policy on any real estate insured, for the whole amount of insurance stated in the policy of insurance upon said real estate; and in case of partial loss by fire or otherwise, as aforesaid, of the real estate insured, the basis upon which said loss shall be computed, shall be the amount stated in the policy of insurance effected upon said real estate, and the insured shall have the right to enforce his claim for said loss in any court having jurisdiction." This law was understood to have been repealed in 1907, but in April, 1912, the Auditor of State wrote, that "on April 17, 1912, this law was upheld as being in force by the Supreme Court of Appeals of West Virginia."

**COUNTY TAXES AND FEES.**

None.

**MUNICIPAL TAXES AND FEES.**

**BLUEFIELD**—For each company, \$10.50; for each agent, \$15.50; payable July 1.

**CHARLESTON**—For each company, \$10.50, payable July 1.

**CHARLESTOWN**—For each company, \$12.50, payable July 1.

**HINTON**—For each company, \$10; for each agent, \$1.

**HUNTINGTON**—For each company, \$5.50, payable July 1.

**KEYSER**—For each company, \$10.50, payable July 1.

**MARTINSBURG**—For each company, \$20, payable January 1.

**PARKERSBURG**—For each company, \$10.50, payable July 1.

**PIEDMONT**—For each company, \$10.50, payable July 1.

**ST. ALBANS**—For each company, \$5.50, payable January 1.

**SHEPHERDSTOWN**—For each company, \$5.50, payable July 1.

**WESTON**—For each company, \$5.50, payable July 1.

**WHEELING**—On gross premiums, two per cent, payable June 30 and December 31. See "Tax Statements."

On or before

**CALENDAR—WEST VIRGINIA**

Jan. 15

City of Wheeling tax statement must be filed.

Jan. 31

Annual statement must be filed.

Certificate of compliance is required.

Tax statement must be filed.

(Concerning income tax see "Taxes" and "Tax Statement.")

March 1

Agents' licenses must be secured.

Fire marshal tax is payable.

Premium tax is payable.

Company license must be secured.

File special excise tax return.

June 30

Statement required under "Blue Sky Law."

July 1

Power of attorney must be filed.

July 15

City of Wheeling tax statement must be filed.

Foreign company's home office statement must be filed upon admission to State.

*See letter in ledger*

*bill*  
*James*

# WISCONSIN.

## STATE REQUIREMENTS.

**ADJUSTERS' LICENSES**—Chap. 316, Laws of 1913, provides for the licensing of adjusters and includes everyone who acts as advisor to insured or insurer for compensation, except persons acting as attorneys in the ordinary relation of attorney and client. A licensed agent may adjust losses without paying additional fee.

**AGENTS DEFINED**—Sec. 1977, Statutes of 1898 (as amended in 1905).

"Every person or member of a firm or corporation who solicits insurance on behalf of any insurance corporation or person desiring insurance of any kind, or transmits an application for a policy of insurance, other than for himself, to or from any such corporation, or who makes any contract for insurance, or collects any premium for insurance, or in any manner aids or assists in doing either, or in transacting any business of like nature for any insurance corporation, or advertises to do any such thing, shall be held to be an agent of such corporation to all intents and purposes, unless it can be shown that he receives no compensation for such services. This section shall not apply to agents of licensed fraternal beneficiary societies, or mutual fire insurance companies of this State, except those organized under Secs. 1896, 1897 and 1898."

**AGENTS' LICENSES**—Agents of companies required to pay any tax or license fee to the State must procure from the insurance corporation licenses which expire January 31 in each year. Chap. 290, laws of 1909. Sec. 1976. "No person, officer or broker, agent or sub-agent of any insurance corporation of any kind required to pay any tax or license fee to the State, shall act, or aid in any manner in transacting the business of or with such corporation in placing risks or in collecting any premiums or assessments or effecting insurance therein, without first procuring from the insurance corporation a certificate of authority; nor shall any such person, officer, broker, agent or sub-agent, after such certificate shall have expired, or after revocation by the Commissioner of Insurance of such certificate or of the license of such corporation and until a new certificate or license shall have been issued to him, do or perform any such act for or in behalf of any insurance corporation." Chap. 116, laws of 1909. Sec. 2. "No such certificate shall be issued by any other than the officers or resident agent of such corporation signing the policies of insurance issued by it or a person duly authorized thereto in writing by such officers or resident agent, after a copy of such authority has been filed in the office of the Commissioner of Insurance; nor unless the same shall be in such form as prescribed by the Commissioner of Insurance and numbered consecutively as issued by the person authorized thereto, and a statement or statements of the names and residences of all persons to whom such certificates are issued on any day, in such form as prescribed by the Com-



missioner, together with the fees provided for certificates to agents by Sec. 1972, shall be mailed to said Commissioner on the day such certificates are issued." Sec. 3. "All certificates hereafter issued shall expire annually upon the expiration of the license of the company issuing the same, unless previously revoked, pursuant to law." The Insurance Department does not license agency corporations. Licenses are issued only to individuals, and each member of a firm must be licensed. Sec. 1976. "5. No person shall be required to hold such certificate of authority from more than one company for the purpose of acting as agent and receiving commissions for transacting the kind or kinds of insurance authorized by such certificate for any other company in co-operation with any person holding such certificate of authority for such other company. This sub-section shall not apply to life insurance." Every person violating the provisions of this section shall be guilty of a misdemeanor and be punished by a fine of not more than \$500 for each offense.

**ANNUAL STATEMENTS**—Must be filed by February 20, showing condition as of preceding December 31. Time may be extended for due cause, upon request, not longer than sixty days. These statements, those named under "Tax Statements," and foreign companies' home office statements, are only ones required annually. Beginning with January 1, 1919, rating bureaus must indicate the classification number of every risk, on its survey, and thereafter every company (except town mutuals) must file, annually, with the Commissioner of Insurance the net risks written, net premiums received and net losses paid on each class in Wisconsin. The Department has ruled that this must be filed by July 1.

**ANTI-COINSURANCE**—Sec. 1943a, Laws of 1913. "Except as otherwise provided by law, no fire insurance company shall issue any policy in this State containing any provision limiting the amount to be paid in case of loss below the actual cash value of the property, if within the amount for which the premium is paid, unless, at the option of the insured, a reduced rate shall be given for the use of a co-insurance clause made a part of the policy. The rate for the insurance, with and without the co-insurance clause, shall be specified upon every policy. Any company may, by so providing in the policy, distribute the total insurance in the manner and upon as many items as specified therein, or limit the amount recoverable upon any single item, article, or animal to an amount not exceeding the cost thereof, or to an amount specified in the policy."

**ANTI-COMPACT**—Sec. 1943b, Insurance Laws. "No fire, fire and marine, or marine and inland insurance company or association, its agent or representative doing business in this State, shall, either directly or indirectly, enter into any contract, agreement, combination or compact with any other such company or companies, or its or their agents or representatives, for the purpose of establishing and maintaining a fixed schedule or schedules of rates; except such agreements are specifically authorized by statutes, or such as may be filed with and approved by the Commissioner of Insurance.

Any such approval by the Commissioner of Insurance may be withdrawn at any time." Penalty for violation, \$500 and revocation of license.

**ANTI-DISCRIMINATION**—Discriminating rates are forbidden under the Rating Law. (Chap, 61 Laws of 1917.) (Act of 1946-1-18.)

**ATTORNEY**—The Insurance Commissioner must be empowered to accept service of legal process. In his absence service may be made on any agent of the company.

**CANCELLATION OF POLICY**—Chap. 89, Section 1946d, Laws of 1919.

Any company, association or corporation transacting the business of insuring property against loss or damage from any cause except steam boiler, fly-wheel or elevator insurance shall, except as is otherwise provided by any provision applicable to any class of insurance companies, cancel any policy at any time, by request of the party insured or his assignee, and return to said party the amount of premium paid, less the earned premium for the expired portion of the full term for which the policy has been issued as specified in the following tables:

**TABLE A**  
**PERCENTAGES OF THE ANNUAL PREMIUMS TO BE CHARGED OR RETAINED FOR PERIODS**  
**LESS THAN ONE YEAR**

Days	Per Cent	Days	Per Cent	Days	Per Cent	Days	Per Cent	Days	Per Cent	Days	Per Cent
1	2.10	61	31.17	121	50.33	181	70.17	241	80.17	301	90.17
2	3.86	62	32.10	122	50.67	182	70.34	242	80.34	302	90.34
3	5.25	63	32.80	123	51.00	183	70.50	243	80.50	303	90.50
4	6.26	64	33.27	124	51.33	184	70.67	244	80.67	304	90.67
5	7.00	65	33.50	125	51.67	185	70.84	245	80.84	305	90.84
6	8.00	66	34.32	126	52.00	186	71.00	246	81.00	306	91.00
7	8.80	67	34.97	127	52.33	187	71.17	247	81.17	307	91.17
8	9.40	68	35.46	128	52.67	188	71.34	248	81.34	308	91.34
9	9.80	69	35.79	129	53.00	189	71.50	249	81.50	309	91.50
10	10.00	70	35.95	130	53.33	190	71.67	250	81.67	310	91.67
11	11.33	71	36.30	131	53.67	191	71.84	251	81.84	311	91.84
12	12.40	72	36.58	132	54.00	192	72.00	252	82.00	312	92.00
13	13.30	73	36.79	133	54.33	193	72.17	253	82.17	313	92.17
14	13.73	74	36.93	134	54.67	194	72.34	254	82.34	314	92.34
15	14.00	75	37.00	135	55.00	195	72.50	255	82.50	315	92.50
16	15.00	76	37.50	136	55.33	196	72.67	256	82.67	316	92.67
17	15.80	77	37.90	137	55.67	197	72.84	257	82.84	317	92.84
18	16.40	78	38.30	138	56.00	198	73.00	258	83.00	318	93.00
19	16.80	79	38.40	139	56.33	199	73.17	259	83.17	319	93.17
20	17.00	80	38.50	140	56.67	200	73.34	260	83.34	320	93.34
21	17.70	81	38.85	141	57.00	201	73.50	261	83.50	321	93.50
22	18.36	82	39.13	142	57.33	202	73.67	262	83.67	322	93.67
23	18.68	83	39.34	143	57.67	203	73.84	263	83.84	323	93.84
24	18.96	84	39.48	144	58.00	204	74.00	264	84.00	324	94.00
25	19.10	85	39.56	145	58.33	205	74.17	265	84.17	325	94.17
26	19.40	86	39.70	146	58.67	206	74.34	266	84.34	326	94.34
27	19.64	87	39.82	147	59.00	207	74.50	267	84.50	327	94.50
28	19.82	88	39.91	148	59.33	208	74.67	268	84.67	328	94.67
29	19.94	89	39.97	149	59.67	209	74.84	269	84.84	329	94.84
30	20.00	90	40.00	150	60.00	210	75.00	270	85.00	330	95.00
31	21.17	91	40.33	151	60.33	211	75.17	271	85.17	331	95.17
32	22.10	92	40.67	152	60.67	212	75.34	272	85.34	332	95.34
33	22.80	93	41.00	153	61.00	213	75.50	273	85.50	333	95.50
34	23.27	94	41.33	154	61.33	214	75.67	274	85.67	334	95.67
35	23.50	95	41.67	155	61.67	215	75.84	275	85.84	335	95.84
36	24.32	96	42.00	156	62.00	216	76.00	276	86.00	336	96.00
37	24.97	97	42.32	157	62.33	217	76.17	277	86.17	337	96.17
38	25.46	98	42.67	158	62.67	218	76.34	278	86.34	338	96.34
39	25.79	99	43.00	159	63.00	219	76.50	279	86.50	339	96.50
40	25.95	100	43.33	160	63.33	220	76.67	280	86.67	340	96.67
41	26.30	101	43.67	161	63.67	221	76.84	281	86.84	341	96.84
42	26.58	102	44.00	162	64.00	222	77.00	282	87.00	342	97.00
43	26.79	103	44.33	163	64.33	223	77.17	283	87.17	343	97.17
44	26.93	104	44.67	164	64.67	224	77.34	284	87.34	344	97.34
45	27.00	105	45.00	165	65.00	225	77.50	285	87.50	345	97.50
46	27.50	106	45.33	166	65.33	226	77.67	286	87.67	346	97.67
47	27.90	107	45.67	167	65.67	227	77.84	287	87.84	347	97.84
48	28.30	108	46.00	168	66.00	228	78.00	288	88.00	348	98.00
49	28.40	109	46.33	169	66.33	229	78.17	289	88.17	349	98.17
50	28.50	110	46.67	170	66.67	230	78.34	290	88.34	350	98.34
51	28.85	111	47.00	171	67.00	231	78.50	291	88.50	351	98.50
52	29.13	112	47.33	172	67.33	232	78.60	292	88.67	352	98.67
53	29.34	113	47.67	173	67.67	233	78.84	293	88.84	353	98.84
54	29.48	114	48.00	174	68.00	234	79.00	294	89.00	354	99.00
55	29.55	115	48.33	175	68.33	235	79.17	295	89.17	355	99.17
56	29.70	116	48.67	176	68.67	236	79.34	296	89.34	356	99.34
57	29.82	117	49.00	177	69.00	237	79.50	297	89.50	357	99.50
58	29.91	118	49.33	178	69.33	238	79.67	298	89.67	358	99.67
59	29.97	119	49.67	179	69.67	239	79.84	299	89.84	359	99.84
60	30.00	120	50.00	180	70.00	240	80.00	300	90.00	360	100.00

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**TABLE B.**  
**PERCENTAGE OF PREMIUMS TO BE CHARGED OR RETAINED AS EARNED PREMIUMS**  
**ON POLICIES WRITTEN FOR PERIODS MORE THAN ONE YEAR.**

Time Months	2-year Policy	3-year Policy	4-year Policy	5-year Policy
1	11%	8%	6%	5%
2	17	12	9	8
3	23	16	12	10
4	29	20	15	13
5	34	24	18	15
6	40	28	22	18
7	43	30	23	19
8	46	32	25	20
9	49	34	26	21
10	51	36	28	23
11	54	38	29	24
12	57	40	31	25
13	61	43	33	27
14	64	45	35	28
15	68	48	37	30
16	71	50	38	31
17	75	53	40	33
18	79	55	42	34
19	82	58	44	36
20	86	60	46	38
21	89	63	48	39
22	93	65	50	41
23	96	68	52	42
24	100	70	54	44
25	...	73	56	45
26	...	75	58	47
27	...	78	60	48
28	...	80	62	50
29	...	83	63	52
30	...	85	65	53
31	...	88	67	55
32	...	90	69	56
33	...	93	71	58
34	...	95	73	59
35	...	98	75	61
36	...	100	77	63
37	...	...	79	64
38	...	...	81	66
39	...	...	83	67
40	...	...	85	69
41	...	...	87	70
42	...	...	88	72
43	...	...	90	73
44	...	...	92	75
45	...	...	94	77
46	...	...	96	78
47	...	...	98	80
48	...	...	100	81
49	...	...	...	83
50	...	...	...	84
51	...	...	...	86
52	...	...	...	88
53	...	...	...	89
54	...	...	...	91
55	...	...	...	92
56	...	...	...	94
57	...	...	...	95
58	...	...	...	97
59	...	...	...	98
60	...	...	...	100

On policies written for more than one year at pro rata of the annual rate and upon which the elapsed time is less than one year, short rates of the full annual premiums must be charged as provided in the short rate table for other than term risks. Policies written for more than one year at pro rata of the annual rate, and upon which the elapsed time is one year or more than one year must be canceled pro rata. (Re-enacted by Chap. 361, effective June 30, 1919.)

Mutual policies may be terminated on notice and payment of proportion of their existing claims.

**CAPITAL REQUIRED**—Stock company must possess at least \$100,000 of actual cash capital, and, upon beginning business, a surplus of at least 25 per cent of capital. Company writing both fire and marine insurance must have at least \$150,000 capital. Mutual companies of other States must conform to the standard of solvency of Wisconsin companies. Lloyds must comply with the requirements of foreign companies.

**COMMISSIONS TO NON-RESIDENTS**—Commissions must be received by resident agents and can only be divided between agents of authorized companies transacting the same kind of insurance for which such commissions are paid, except that in case of non-resident-owned property and property located wholly outside of the State a division may be made with an outside agent or broker. An agent cannot receive a commission upon his own insurance unless in the preceding year he has written more premiums upon the property of others than upon his own.

**DEPOSIT**—None required of American companies. Foreign companies are required to have on deposit with some State not less than \$200,000 in prescribed securities.

**DOMESTIC COMPANIES**—No new company, either stock or mutual, can be organized except under the general law, which follows: Section 1896. "Subject to the conditions and in the manner prescribed by law, a corporation may be organized by fifteen or more residents of this State to transact the business of insurance and the articles thereof may be amended, in the manner provided in chapters 86 and 89 of the statutes, except that such articles and amendments shall be filed in the office of the Commissioner of Insurance, and shall be submitted to and approved by the Attorney General before filing." Chapter 86 is the general law for the organization of corporations. The fee is \$25 for a corporation with a capital stock of not over \$25,000, and one dollar for each additional \$1000 of capital stock. Fire companies may insure against loss or damage to property on land, by fire, lightning, hail, tempest, explosion, earthquake, bombardment, invasion, insurrection, riot, civil war, military or usurped power, sprinkler leakage and automobile collision, property damage and theft. A company may be organized to write fire, marine and sprinkler leakage insurance, or a company may be formed to write any or all classes of insurance, provided there be maintained separate and distinct reserves in trust for each kind of insurance so written. The limitation upon the term of duration

of domestic corporations has been removed. Fire companies may write windstorm and sprinkler leakage risks and complete coverage automobile insurance in one policy.

**EXAMINATIONS**—Whenever it is deemed expedient by the Commissioner, or whenever written charges are made by a responsible person against a company, the Commissioner is empowered and instructed to make an examination into such company's affairs. He may also examine a company when he has information that it has violated the resident agents' law. Commissioner may revoke license of company found to be in unsound condition.

**FEES**—For filing first declaration or statement with certified copy of charter, \$25; for filing annual statement, \$25; for each certificate of authority issued to agent (one for each member of firm, and one for each company represented by an agent), \$1; for copies of papers on file, 10 cents per folio; affixing seal, 50 cents; for service of process, \$2; for examinations, actual expenses, and compensation to persons other than officers and employees of the State; for adjuster's license, \$1. Domestic mutual companies, except those organized prior to 1909 under Secs. 1896, 1897 and 1898, are exempt from the charter, annual statement and agency fees noted above. Each company guaranteeing a joint policy must pay full fees. Fees payable to Insurance Commissioner. Reciprocal and retaliatory provisions. Rating bureau license, \$100 per annum.

**FIRE DEPARTMENT TAX**—Sec. 1926. Amended Laws of 1913. "1.

\* \* \* Every city or village or town containing an unincorporated village, having or maintaining a regularly organized fire department, as hereinafter provided, shall be entitled, for the support and maintenance of such fire department, \* \* \* to \* \* \* two per centum upon the amount of all premiums which, during the year or part of a year ending on the next preceding first day of January, shall have been received by, \* \* \* or shall have been agreed to be paid to any company or insurer, or agent thereof, for any insurance effected, or agreed to be effected, or promised by such company insurer or agent thereof \* \* \* against loss or injury by fire in any such city or village, or within a radius of one mile from the location of any fire department, in any town containing an unincorporated village; such dues to be payable as provided in Sec. 1926m. \* \* \*

No municipality will receive taxes until Industrial Commission has certified to Commissioner of Insurance that all requirements have been complied with. The method of payment of fire department dues is changed by Sec. 1926m, which is made to stand in lieu of the requirement of a bond, statement and payment by the agent, provided the tax is actually paid by the company. The Commissioner is required to certify to companies before December 15 a list of cities, etc., entitled to fire department dues, and the companies are required to file a statement and make payment of the same to the Commissioner with the annual report. The Commissioner

orders the amounts collected for each city, etc., transmitted to it on or before May 1, with a statement of the companies paying same. Fire patrols may be established in any city by an incorporated board of underwriters. Meetings of the latter may be attended by any person doing a fire insurance business, and each corporation represented is entitled to one vote. The year's expenses shall be levied on February 1, on the receipts for the year ending January 1 preceding, but the assessments in any one year shall not exceed two per cent of premiums received. Penalty for failure to report business written fifteen days after notice, \$50, and \$50 for each additional day thereafter.

**FIRE MARSHAL**—Commissioner of Insurance is ex-officio fire marshal. Chief of every Fire Department is a deputy of the Industrial Commission, and of the State Fire Marshal Department. See "Taxes."

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—Are required annually.

**GENERAL PENALTIES**—For neglecting to pay fees and obtain a license, or for violation of, or non-compliance with, any provision of law, or for removing a suit to a United States court, or for not making good an impairment when required, the Commissioner must revoke a company's license. For misrepresentation as to assets, capital, surplus or risks, \$500 for first offense and \$1000 for each subsequent offense. Sec. 19550. 5. "Any corporation violating any of the provisions of the laws of this State relating to insurance shall, where no other penalty is prescribed, be punished by a fine of not more than \$5000, and any person violating any of the provisions of the laws of this State relating to insurance shall, where no other penalty is prescribed, be punished by a fine of not more than \$1000, or by imprisonment in the county jail not exceeding one year, or by both such fine and imprisonment."

**GUARANTY AND SPECIAL RESERVE FUNDS**—Insurance Laws, Secs. 1909-1914, provide for the establishment and maintenance of guaranty and special reserve funds in substantially the manner prescribed by the law of New York upon the same subject, which see.

**IMPAIRMENT**—Limit permitted, domestic companies, twenty-five per cent; other companies, twenty per cent.

**INVESTMENTS PRESCRIBED**—Sec. 1903, Laws of 1913. "1. Except as otherwise provided by law, a domestic insurance corporation may invest its assets as follows:

(a) In the lawfully authorized bonds or other evidences of indebtedness of the United States or of any State of the United States, or of the Dominion of Canada or of any province thereof.

(b) In the lawfully authorized bonds or other evidences of indebtedness of any county, city, town, village, school district or other municipal district within the United States or the Dominion of Canada, which shall be a direct obligation of the county, city, town, village or district issuing the same; provided, that any such municipal district other than a county, city,

town, village or school district shall have a population according to the last national or State census preceding the date of such investment of not less than one hundred thousand.

(c) In loans upon improved and unincumbered real property in any State of the United States, and upon leasehold estates in improved real property for a term of ninety-nine years or more where twenty-five years or more of the term is unexpired and where unincumbered except by rentals accruing therefrom to the owner of the fee, and where the mortgagee is entitled to be subrogated to all the rights under the leasehold; provided that the fair market value of such real property or such leasehold estate at the time of the loan shall be at least fifty per centum more than the sum loaned thereon, exclusive of buildings unless such buildings are kept insured to an amount which, together with one-half the value of the land, shall equal or exceed the loan, and the policy or policies of insurance thereon be assigned to and held by said corporation as collateral to such loan.

(d) In the first mortgage bonds of any railroad or other public service corporation of any State or territory of the United States, or of the District of Columbia, or of any province of the Dominion of Canada.

(e) In the stocks and bonds and other evidences of indebtedness of any solvent dividend paying corporation of any State or territory of the United States, of the District of Columbia, or of any province of the Dominion of Canada, in which said insurance corporation shall be doing business at the time of such investment, excepting stock in its own corporation or in any other insurance corporation. No such investment shall be made in any unincorporated business or enterprise, nor in the stocks, bonds or other evidences of indebtedness of any corporation, the owners or holders of which may, in any event, be or become liable on account thereof to any assessment except for taxes or laborers' liens, nor unless all the outstanding stock of such corporation has for five years next preceding the date of such investment regularly paid dividends of at least four per centum per annum and the paid-up capital stock equals at least one-third its funded indebtedness, on which the interest charges have been regularly paid for such period.

(f) In loans upon collateral security of any of the foregoing securities; provided, that the market value of such securities shall not, during the continuance of such loan, be less than the indebtedness thereon.

(g) In such real property as shall be necessary for the convenient transaction of its business, subject to other provisions of law.

(h) Every such domestic corporation doing business in any foreign country may invest the funds required to meet its obligations incurred in such foreign country in conformity to the laws thereof in the kind of securities of such foreign country in which such corporation is authorized to invest in this State."

"2. Any such domestic insurance corporation shall invest and keep invested an amount at least equal to its paid-up capital stock in any of the



securities mentioned in paragraphs (a), (b) and (d) of subsection 1 of this section, or in loans upon real estate located within this State."

"3. No domestic insurance corporation, including any domestic insurer, shall make any investment not authorized by law."

"4. No such corporation shall invest in, acquire or hold, directly or indirectly, more than ten per cent of the capital stock of any corporation, nor shall more than ten per cent of its admitted assets be invested in the stock or securities of any one corporation."

Farmers' town mutuals may loan on notes, under certain restrictions.

**LICENSED BROKERS**—Chapter 87, Laws of 1911, provides for the licensing of agents to procure fire insurance policies in corporations not authorized to do business in the State, in consideration of a yearly fee of \$15, or of \$50 in a city having more than 100,000 inhabitants. Such licenses expire January 31, and are revocable at any time. The law requires the execution of an affidavit by the agent to the effect that he has been, after diligent effort, unable to procure the amount of insurance required to protect the property described from authorized companies. Such agent must keep records of his business and yearly, on or before February 1, file a report with the Insurance Commissioner and pay taxes on the premiums collected, as follows: Fire department dues tax, two per cent; State tax,  $2\frac{3}{8}$  per cent. A bond of \$1000 is required from such agent.

**LIMIT ON A SINGLE RISK**—All companies (except as otherwise provided) ten per cent (net) of admitted assets. (See "Reinsurance.") Mutual companies, three times average policy or one-fourth of one per cent of insurance in force, whichever is greater. Town companies, \$5000 on certain specified classes. (See 1919.)

**LLOYDS**—Sec. 1915, Statutes of 1913. "1. (c) A Lloyds association, whereby each associate underwriter becomes liable for a proportionate part of the whole amount insured by a policy, may be admitted to transact insurance, other than life insurance, in the State, upon the same terms and conditions as insurance companies of other States in the United States. (2) No capital stock shall be required. (3) Each alien underwriter shall keep and maintain on deposit at all times with the attorney or attorneys in fact for such Lloyds association licensed in this State, a sum in cash or in securities mentioned in Sec. 1903, equal to three times the maximum amount assured by such underwriter on any single risk, or in lieu thereof the Lloyds association may comply with subsection 4 of this section. (4) No underwriter shall assure any liability or any single risk in this State (excluding reinsurance authorized by the laws of this State) in excess of ten per centum of the net worth of such underwriter. (5) A statement of such limit of single risk and of liability, and of such net worth with the names, addresses and occupations of all individual underwriters shall be filed with the application for admission, and with each annual statement and oftener as required by the commissioner." See Reciprocal Insurance.

**MISCELLANEOUS**—Provision is made for the creation and maintenance of “guaranty surplus” and “special reserve” funds. In joint policies guaranteed by two or more companies, the severalty of the contract may be expressed in the heading of the policy. Copy of application or representations of insured must be attached to policies. Insurance Commissioner is not permitted to receive any gift, payment for extra services or for purposes of legislation, or anything beyond the statutory payment from a company which he has examined. License of company failing to pay final judgment for sixty days shall not be renewed while judgment remains unpaid. Penalty for company continuing business thereafter, \$1000; penalty for violation by agent, \$100 to \$500. Underwriters’ departments and general agencies of companies are prohibited from using misleading advertisements and statements which would indicate that they are separate companies. On all applications and policies the name of parent company must be conspicuous. Commissioner may take charge of delinquent domestic companies. Commissioner has supervision over company promoted. Promotion expenses of new companies are limited by law to 15 per cent of the amount actually paid upon separate subscriptions to such stock. Chap. 235, Laws of 1893, provides for judgment for attorney’s fee against insurance company when losing case. Sec. 1941, Chap. 464, provides that a policyholder is a preferred claimant for unearned fire premium unless otherwise agreed.

**MUTUAL COMPANIES**—See “Domestic Companies,” also “Capital Required.” Town insurance companies may be organized by twenty-five or more persons residing in the same town, or in adjoining towns, not exceeding thirty in number, except in counties containing a larger number, when all towns may be included, owning at least \$25,000 worth of insurable property. They are not required to use the standard policy form. Other classes of mutual companies must be organized under general law, Sec. 1896, *et seq.* See “Domestic Companies.” Titles (and policies) must contain the word “mutual.” Mutual companies of other States governed by reciprocal provision. Directors failing for thirty days to endeavor to collect assessments, by suit if necessary, become individually liable, and are also liable on policies issued in excess of amount allowed by law to be written on a single risk. They are also liable on policies written upon property in any State in which company is not licensed.

Sec. 1897c. The liability of members shall be annual premium or a specified number of times the annual premium subject, however, to the provisions of subdivision (d) of this subsection.

(d) No mutual fire, casualty or marine insurance company licensed to transact business in this State shall issue a non-assessable policy unless it has a surplus equal to the sum of the capital and surplus required of a stock company to begin to transact the same kind of business or equal to twenty per cent of its premium income during the preceding year, whichever is the greater, and provided further that it shall cease the issue of such

policies when its surplus falls below that sum. No such company shall issue a non-assessable policy until its policy form and plan of operation is submitted to and approved by the Commissioner of Insurance. (Ch. 101, effective April 26, 1919).

**PRELIMINARY DOCUMENTS**—Company must file with the Commissioner a certified copy of its charter and a verified statement showing its financial condition at date of application, and a copy of its last annual report; also a stipulation that it will not remove to a United States court any suit begun in a State court. The Wisconsin law requires an examination, but for companies from outside of the State, it is customary for the Insurance Department to delegate its authority to the company's home Insurance Department. Companies about to enter Wisconsin should await examination until this has been done. Foreign companies must file copy of charter duly certified by secretary, certificate of deposit, certificate of compliance, copies of printed matter issued by the company, and copy of policy form. Certificate of compliance with laws of company's home State not required annually. Inter-insurers may be admitted on filing authority to Commissioner to accept service of process, and an examination as in other cases. Sec. 1915, Laws of 1913.

**PUBLICATION**—Publication by company not required. Misleading advertisements forbidden; foreign companies may only advertise United States assets. Capital advertised must be paid up.

**RATING BUREAUS**—Every insurer writing fire, tornado or sprinkler leakage insurance must be a member of a rating bureau, with office in Wisconsin, where records of all risks rated must be kept. Variations from Bureau rates must be filed with the Bureau and the Insurance Department, and must apply to all risks of the same class and degree of protection, no discrimination being permitted. Upon complaint or on his own initiative the Commissioner of Insurance may investigate a rate, may fix a reasonable maximum rate, and may order a discrimination removed.

**RECIPROCAL INSURANCE**—General requirements. Statement must be filed with Insurance Commissioner showing application for indemnity upon at least 100 separate risks aggregating \$1,500,000, covered by bona fide contracts. Attorney must always have on hand assets equal to 100 per cent of the net unearned premiums or deposit collected, or 50 per cent of net annual advance premiums or deposits on policies having one year or less to run and pro rata on policies for longer periods; also assets equal to all obligations; but the minimum amount of assets shall be \$50,000. Annual license, \$25, and a tax of two per cent upon gross premiums deducting all amounts returned to subscribers or credited to their accounts other than for losses. Sec. 1978, Statutes of 1898. "No corporation, association, partnership or individual shall do any business of insurance of any kind or make any guaranty, contract or pledge for the payment of annuities or endowments or money to the families or representatives of any policy or certificateholder, or the like, in this State, or with any resident of this State, ex-

cept according to the conditions and restrictions of these statutes. And the term 'insurance corporation,' as used in this chapter, may be taken to embrace every corporation, association, partnership or individual engaging in any such business." Marine insurance may be transacted by a Lloyds having not less than twenty-five subscribers, of whom a majority must at all times be citizens of the State. Each underwriter must pay in at least \$500. A license fee of two per cent of gross premiums is charged. See "Lloyds."

**RECIPROCAL LAW**—Sec. 1. There is added to the statutes a section to read (51.331): "When any insurance corporation or other insurer of this State shall be licensed to transact insurance in any other State, territory, or district of the United States, like insurance corporations or insurers from such other State, territory or district shall pay no other or greater taxes, fees or licenses than are or would lawfully be imposed upon and collected from like insurance corporations or insurers subject to Sections 51.32 (see "Taxes"—editor), 1972 (see "Fees"—editor), 1926 (see 'Fire Department Tax'—editor), and 1946-n (Fire Marshal Tax—editor) shall not be less than the amount required and applied, as provided in said sections. This section shall not apply to insurance corporations or other insurers of any foreign country."

**REINSURANCE**—Sec. 1905, Laws of 1913. "1. Any insurance company or association authorized to transact business in this State may, unless otherwise provided by law, assume as a reinsurer the whole or any part of the liability of any other company or association upon such risks as it may insure direct; and may, unless otherwise provided by law, cede to and reinsure in any other responsible company or companies, whose capital and surplus shall equal or exceed the minimum of capital and surplus required by domestic companies, for the transaction of similar business, the whole or any part of its liability upon risks assumed.

"2. But no stock fire insurance or fire reinsurance corporation shall expose itself to any loss on any one risk or hazard to an amount exceeding ten per centum of its paid-up capital and surplus. No portion of any such risk or hazard which shall have been reinsured as authorized by law shall be included in determining the limitation of risk prescribed by this section."

No business may be taken by a licensed company from an unauthorized company. Wisconsin risks must be reinsured in a licensed company by one retiring from the State.

**REINSURANCE RESERVE**—One-half of the premiums on all unexpired fire risks, and the whole premiums on unexpired marine risks, also loss reserves on casualty business.

**RESIDENT AGENTS**—Sec. 1919a. "1. No policy of insurance shall be issued or delivered in this State by any company, except through an agent who shall be a resident of this State and hold a certificate of authority under Sec. 1976, for the kind of insurance effected by such policy. 2. In case of fire insurance, the agent shall countersign and enter the policy in a

permanent record to be kept by him for that purpose. Such agent shall be paid the commission on the policy. 3. The books of every person transacting or purporting to transact the business of an insurance agent shall at all times be open to the inspection of the Commissioner of Insurance, his deputy or examiners, and a refusal to permit such inspection shall be *prima facie* evidence of a violation of this section. 4. This section shall not prevent any insurance placed in violation thereof taking effect. 5. Any company or person soliciting or placing insurance without complying with this section shall, in addition to other penalties provided by law, be liable personally upon such policy or contract of insurance to the same extent as the company issuing the same. 6. This section shall not apply to: (a) Policies issued directly from the home office of any company organized under the laws of this State. (b) Policies covering property in transit while in the possession or custody of any common carrier, or the rolling stock or other property of any common carrier used and employed by it as a common carrier of freight or passengers. (c) Policies issued directly, by any mutual company or any association doing business on the inter-insurance or reciprocal plan, on which no commissions are paid, except to a home office manager or an attorney in fact for such company or association, as specifically authorized by the insured." Penalty for violation, revocation of license for from six months to three years. Sec. 1919g. "Nothing contained in Chapter 190, Laws of Wisconsin for the year 1899, shall be construed as preventing any insurance company which has lawfully issued a policy of insurance upon property within this State, from reinsuring said risk or any portion thereof, in any authorized company without having said policy of reinsurance signed by a local agent in this State."

**SEMI-ANNUAL STATEMENTS**—None required, except for fire patrol purposes.

**STANDARD POLICY**—The standard form recommended by the National Convention of Insurance Commissioners was adopted in 1917, to go into effect January 1, 1918. Policy forms and riders must be filed with Insurance Department.

**TAXES**—Sec. 51.31, Statutes of 1898 (as amended in 1909 and 1915).

1. Every company transacting the business of insurance against fire, or by the risk of inland navigation and transportation, other than companies under sub-section 2 hereof, shall pay to the State on or before the thirty-first day of January in each year a tax of two and three-eighths per centum on the amount of the gross premiums received for direct insurance, less return premiums and cancellations on direct insurance, by such company, during the preceding year, in this State. Direct insurance shall include all insurance other than reinsurance. In case any company shall discontinue business in this State and reinsure the whole or part of its risks without making payment of this tax, the company accepting such reinsurance shall pay the tax; and if several companies shall make such reinsurance the tax shall be apportioned between such com-

panies in proportion to the original premiums upon the business, in this State, so reinsured by each such company. Upon the payment of the tax herein provided, such company may be licensed to transact its business until the last day of January in the ensuing year, unless sooner revoked or forfeited according to law." 2. Excepting domestic mutual insurance companies included in section 51.32 and companies heretofore organized under sections 1896 to 1900, inclusive, no domestic mutual insurance company shall be required to pay any taxes, fees, or charges to the State." Sec. 51.311, Laws of 1915. 3. "All license fees and taxes levied under any provision of law upon gross premiums against \* \* \* any insurance company or other insurer shall be uniformly calculated on the amount of gross premiums received for direct insurance less return premiums and cancellations and returns from savings and gains on direct insurance by such company or other insurer during the preceding year in this State." Sec. 51.315. "Any company not authorized to do business in this State, which shall insure any property situated in this State against fire or the risk of inland navigation or transportation, shall pay to this State a tax upon the gross premiums paid to such company on such insurance computed at the rate per centum prescribed by section 51.31, and on default of any such company in the payment of such tax before the first day of March next succeeding, the owner of such property shall pay such tax. Every person paying more than one hundred dollars premiums to any one such company in any year shall report the same in writing by mail to the Commissioner of Insurance before the first day of March next succeeding, and if such report be not made and such tax remains unpaid for sixty days after March first, the tax shall be increased by one-tenth for every month during which such tax remains unpaid after the expiration of said sixty days." Fire marshal tax, three-eighths of one per cent on gross premiums less return and reinsurance premiums, is included in tax levied under Sec. 51.31. Sec. 51.331 of 1915 Laws requires the same amount of taxes from companies domiciled in States requiring greater taxes from Wisconsin companies than are required in Wisconsin. See "Reciprocal Law." Personal property of insurance companies is exempt from taxation. (Chap. 48, Sec. 1038.)

**TAX STATEMENTS**—For computation of license fee (annual statement), by January 31; for fire department taxes, February 1; for support of fire patrols, April 1 and October 1.

**VALUED POLICY**—The former valued policy law, which was repealed in 1915, was re-enacted in 1917. It applies only to real property.

### COUNTY TAXES AND FEES.

None.

### MUNICIPAL TAXES AND FEES.

See "Fire Department Tax."

**MILWAUKEE**—The fire insurance patrol assessment averages 1.75 per cent;

fire department tax, two per cent of net premiums. Every agent must, annually, on or before February 10, file his name and address with the treasurer of the fire department.

On or before		CALENDAR—WISCONSIN
Jan.	31	Agents' and adjusters' licenses must be procured. Fire Department tax report must be filed. Fire marshal tax is payable (included in premium tax). Premium tax is payable. Tax statement must be filed.
Feb.	1	Company license must be obtained.
Feb.	20	Annual statement must be filed.
May	1	Fire Department tax is payable.

*Continued in Detroit*  
*170 Chapin Bldg*  
*Apr 9 of 1918*  
*Met Comm. of Central*  
*1 June 1918*

*T. J. ... 1918*

*8/1/1918*

# WYOMING.

## STATE REQUIREMENTS.

**AGENTS DEFINED**—Insurance Laws, Sec. 26. “\* \* \* The term agent or agents used in the foregoing section shall include an acknowledged agent or surveyor, or any other person or persons, who shall in any manner, directly or indirectly, transact or aid in transacting the insurance business of any insurance company not incorporated by the laws of this State. The provisions of the foregoing section relative to foreign companies shall apply to all such companies, partnerships, associations or individuals, whether incorporated or not. \* \* \*”

**AGENTS' LICENSES**—Agents must procure licenses, which expire annually on December 31. Agency corporations will be licensed, but names of members forming same must be filed. Under the resident agents' law, a license may be issued to a general or special agent of any company to do business in the State, upon application by the home office.

**ANNUAL STATEMENTS**—Must be filed within sixty days after January 1, showing condition as to previous December 31. Classification of business is required to be filed with annual statement. These are only statements required yearly. See “Tax Statements.”

**ANTI-COINSURANCE**—No law prohibiting use of coinsurance clauses.

**ANTI-COMPACT**—No statute forbidding co-operation.

**ANTI-DISCRIMINATION**—No provision.

**ATTORNEY**—The Insurance Commissioner must be appointed attorney to accept service of legal process. A resident of each county in which company does business must also be authorized to accept service.

**CANCELLATION OF POLICY**—No provision for notice to insured.

**CAPITAL REQUIRED**—Foreign company must possess an actual paid-up capital of at least \$100,000, exclusive of special deposits. Domestic company, \$100,000.

**COMMISSIONS TO NON-RESIDENTS**—The Insurance Department rules that all policies of fire insurance solicited in Wyoming must be countersigned by a duly licensed resident agent of the State, and the agent so countersigning policies must receive the full commission.

**DEPOSIT**—None required. Foreign company must have \$100,000 on deposit with the proper official of one of the States or Territories of the United States. (Character of securities not specified.)

**DOMESTIC COMPANIES**—Any number of persons may form a company by publishing notice of intention once a week for four weeks in county of location, and certifying name, object, amount of capital stock and location of principal office, to the Insurance Commissioner, who shall submit certificate to the Attorney-General for approval. When approved, certificate must be recorded, as are articles of incorporation. Capital must be not less than \$100,000, nor more than \$1,000,000. There shall be five to twenty-one directors.



**EXAMINATIONS**—May be made whenever deemed expedient by the Commissioner. Failure to pay expenses of examination will be punished by termination of business in the State. Insurance Law, Sec. 21. "The State Insurance Commissioner is hereby authorized and empowered to address any inquiries to any insurance company in relation to its doings and conditions, or any other matter connected with its transactions, which he may deem necessary for the public good, or for a proper discharge of his duties, and it shall be the duty of any company so addressed to promptly reply in writing thereto." (R. S., 1899, Sec. 83.) Sec. 28. "It shall be the duty of the Insurance Commissioner, whenever he shall deem it expedient to do so, in his judgment, to appoint one or more persons, not officers, agents or stockholders of any insurance company doing business in this State, to examine into the affairs and condition of any insurance company incorporated or doing business in this State, or to make such examination himself, and it shall be the duty of the officers or agents of such company or companies to cause their books to be opened for the inspection of the Insurance Commissioner or the person or persons appointed, and otherwise facilitate such examination so far as may be in their power so to do, and for the purpose of arriving at the truth in such cases, the Insurance Commissioner, or the person or persons so appointed by him, shall have power to examine, under oath, the officers or agents of any company or others, if necessary, relative to the business and condition of the said company; and whenever the Insurance Commissioner shall deem it best for the interests of the public so to do, he shall publish the result of such investigation in one or more papers of this State. \* \* \*

**FEES**—For filing examination of application and issuing certificate, \$50; for filing annual statement, \$25; for filing acceptance of State constitution, \$2.50; for every certificate of authority for agents, \$2; for every copy of paper on file, 15 cents per folio; for certifying same on affixing seal, \$1; for examinations, necessary expenses; for publication of condensed statement, \$20. Fees are payable to Insurance Commissioner.

**FIRE MARSHAL**—No provision for investigation of fires.

**FOREIGN COMPANIES' HOME OFFICE STATEMENTS**—Not required.

**GENERAL PENALTIES**—Sec. 50 provides for revocation of license for any violation of or non-compliance with the law. Sec. 27 provides a penalty of not exceeding \$1000 fine, and imprisonment for thirty days to six months, for any violation of or non-compliance with law. License of company in unsound condition to be revoked.

**IMPAIRMENT**—Limit of impairment permitted, twenty per cent. A larger impairment must be made good or business must cease.

**INVESTMENTS PRESCRIBED**—"Section 4106 as amended in 1919 any company may invest or loan its paid-up capital, reserves and surplus and its other funds, or any part thereof, accumulated in course of its business, in bonds or other evidences of indebtedness of the State of Wyoming and

of any county, municipality, city, town, village, school district, improvement district and other civil division of the State, when such bonds or other evidences of indebtedness have been legally issued, and in first liens upon real estate in this State, the value of which shall be at least double the amount of such liens upon real estate in this State, exclusive of buildings, except to the amount that such buildings are insured in some responsible company, or companies, and the policy or policies of insurance are transferred or assigned to the holder or owner of said liens, and in bonds or other evidences of indebtedness of the United States and upon the company's own insurance, endowment or annuity policies, not exceeding the reserve thereon calculated according to the terms of said policies, and in bonds or other evidences of indebtedness of corporations which have not defaulted in their interest payments within five years next preceding the date of the investment, and in collateral loans secured by pledge or assignment of any of the aforesaid securities, and in real estate taken under foreclosure, provided such real estate shall be sold within five years, and in a building used exclusively for the company's business, and it shall be lawful for such company to change, reinvest, loan, release, assign, transfer, sell or pledge in lawful pursuit of its business, any of its investments, securities or funds. It shall be lawful for any company organized under this chapter, or incorporated or organized under any law or laws of this State, to invest or loan any of its funds over and above its paid-up capital in any similar securities of any other State (and in any other securities which may be required by the laws of any other State in which the company may do business), to change, reinvest, loan, release, assign, transfer, sell or pledge in the lawful pursuit of its business, any of its such investments, securities or funds.

**LICENSED BROKERS**—No provision.

**LIMIT ON SINGLE RISK**—S. L. 1911, Ch. 50. "No company, organized under this chapter or transacting business in this State, shall expose itself to loss on any one risk or hazard to an amount exceeding 10 per cent of its paid-up capital, nor to write on risk within the corporate limits of any one city an amount representing more than the paid-up capital of the company, unless the excess shall be insured by the same in some other good and reliable company or companies."

**LLOYDS**—Insurance Law, Sec. 42. "Any insurance company, association or partnership organized for any of the purposes specified in this chapter, incorporated by or organized under the laws of any other State or the United States, or any foreign government, violating the provisions of this chapter, shall forfeit the sum of \$500 to the State of Wyoming for each and every offense. \* \* \*

**MARINE INSURANCE REQUIREMENTS**—Companies transacting marine insurance come under the same requirements as fire companies.

**MISCELLANEOUS**—Sec. 37. "It shall not be lawful for any company organized upon the mutual plan to do business and take risks upon the

stock plan; neither for a company organized as a stock company to do business upon the plan of a mutual insurance company."

**MUTUAL COMPANIES**—Must not commence business with less than 200 members subscribing \$25,000 of premiums, of which \$5000 must be paid in cash, and the remainder in notes of solvent parties for not more than \$500 each, and no two made by the same person or firm (unless the total is not more than \$500). Notes shall be held until accumulation of profits aggregates amount of cash capital required of stock companies, except those given for policies subsequently terminated. The word "mutual" must be embodied in the title of a mutual company. Mutual associations not organized for profit and insuring only members may be organized by 200 persons.

**PRELIMINARY DOCUMENTS**—Company must file with the Insurance Commissioner a certified copy of its charter and a verified statement, showing its financial condition, an instrument accepting the State constitution, and an appointment of the Insurance Commissioner as an attorney for service. Foreign companies must also file a certificate of deposit and certified copy of power of attorney of United States manager. On receiving certificate to do business the same must be published in two newspapers of general circulation, one of which must be published at the capital.

**PUBLICATION**—Certificate of publication authorizing company to transact business in this State for current year must be published in two newspapers of general circulation, one of which shall be published at the State capital. Copies of same must be sent to Insurance Commissioner. In advertisements showing capital and assets, only cash capital and assets may be published. In addition, the Insurance Commissioner shall cause a condensed summary of the annual statement, showing capital, assets, liabilities, income, expenditures and business done in the State, to be published in a daily newspaper of general circulation in the State for six successive days, or in a weekly newspaper for six successive weeks, at the expense of the company; (fee \$20).

**RECIPROCAL INSURANCE**—No specific provisions. Law regulating corporations applies to inter-insurers. See "Lloyds."

**RECIPROCAL LAW**—Insurance Laws, Sec. 33. "Whenever the existing or future laws of any other State or Territory of the United States shall require of insurance companies incorporated by or organized under the laws of this State, having agencies in such other State or Territory, or of the agents thereof, any deposit of securities in such State or Territory for the protection of policyholders, or otherwise, in any payment for taxes, fines, penalties, certificates of authority, license fees, or otherwise, greater than the amount required for such purposes from similar companies of other States or Territories, by then existing laws of this State, then, and in every such case, all companies of such States or Territories establishing or having theretofore established an agency or agencies in this State, shall be and are hereby required to make the same deposit for a like pur-

pose with the Insurance Commissioner of this State, and to pay said Insurance Commissioner for taxes, fines, penalties, certificates of authority, license fees, or otherwise, an amount equal to the amount of such charges and payments imposed upon or required by the laws of such State or Territory of the companies of this State, or the agents thereof." (R. S., 1899, Sec. 3179.)

**REINSURANCE**—No prohibition of reinsurance in unauthorized companies. Companies reinsuring in unauthorized companies are held responsible. The Insurance Commissioner has ruled that when figuring taxes all deductions for reinsurance must be in companies authorized to do business in this State.

**REINSURANCE RESERVE**—Fifty per cent of premiums on all unexpired risks under one year, and pro rata on those running more than one year.

**RESIDENT AGENTS**—"It shall be unlawful for any foreign insurance company to make, write, place or cause to be made, written or placed in this State any insurance policy or contract of any kind to provide against any contingency which may be insured or guaranteed against, unless done through its duly and regularly appointed and authorized agent or agents, residents of this State; any insurance company violating this section shall have its certificate of authority to do business in this State suspended not less than one year, and it shall only be renewed upon a written pledge from the directors or executive body in authority over the officers that this section will be fully and faithfully observed."

**SEMI-ANNUAL STATEMENTS**—None prescribed.

**STANDARD POLICY**—Commissioner of Insurance states that "New York form is used."

**TAXES**—Revised Statutes, Sec. 3788 (as amended). "There is hereby imposed and levied upon each and every insurance company transacting the business of insurance within this State a tax of two and one-half per centum per annum upon the gross premiums received by it for insurance within this State from the beginning until the close of the calendar year ending on the thirty-first day of December at midnight, as disclosed by the annual report made by said company to the Insurance Commissioner, as now required by law. \* \* \* Insurance companies shall be subject to no other taxation under the laws of this State than that imposed by this section, except taxes on real estate or personal property owned or held in trust by them, and such fees as are now or shall be hereafter imposed as a condition precedent to the transaction of business within this State." Tax is payable by March 30 to the Insurance Commissioner. Penalty for violation, revocation of license.

**TAX STATEMENTS**—State taxes based on annual statement, which see.

**VALUED POLICY**—No requirement.

#### COUNTY TAXES AND FEES.

None.

**MUNICIPAL TAXES AND FEES.**

None.

**CALENDAR—WYOMING**

On or before

- |          |   |
|----------|---|
| March 1  | Annual statement must be filed (taxation based on annual statement).                                  |
| March 30 | Premium tax is payable.   |
| April 1  | Certificate of authority to be published by company and affidavits filed with Insurance Commissioner. |
| Dec. 31  | Agents' licenses must be obtained.  |

# UNITED STATES.

**THE REVENUE ACT OF 1918**—The Revenue Act of 1918 (section 230) provides that in lieu of the tax imposed by Section 10 of the Revenue Act of 1916, as amended by the Revenue Act of 1917, and by Section 4 of the Revenue Act of 1917, there shall be paid for each taxable year, beginning with 1919, upon the net income of every corporation, a tax on net income in excess of the credits provided in Section 236, in 1919 and each calendar year thereafter, 10 per cent of such excess amount.

Farmers or other mutual fire, hail or cyclone insurance companies of purely local character are exempt from this tax. The income of mutual marine insurance companies shall include gross premiums collected, less amounts paid for reinsurance.

In the case of a foreign corporation, gross income includes only that from sources within the United States.

**INCOME TAX REQUIREMENTS**—Section 232 defines net income as being gross income, as defined in Section 233 (as follows), less deductions allowed by Section 234:

“Sec. 233. (a) That in the case of a corporation subject to the tax imposed by section 230 the term “gross income” means the gross income as defined in section 213, except that:

“(1) In the case of life insurance companies there shall not be included in gross income such portion of any actual premium received from any individual policyholder as is paid back or credited to or treated as an abatement of premium of such policyholder within the taxable year.

“(2) Mutual marine insurance companies shall include in gross income the gross premiums collected and received by them less amounts paid for reinsurance.

“(b) In the case of a foreign corporation gross income includes only the gross income from sources within the United States, including the interest on bonds, notes, or other interest-bearing obligations of residents, corporate or otherwise, dividends from resident corporations, and including all amounts received (although paid under a contract for the sale of goods or otherwise) representing profits on the manufacture and disposition of goods within the United States.”

**DEDUCTIONS ALLOWED**—“Sec. 234. (a) That in computing the net income of a corporation subject to the tax imposed by section 230 there shall be allowed as deductions:

“(1) All the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including a reasonable allowance for salaries or other compensation for personal services actually rendered, and including rentals or other payments required to be made as a condition to the continued use or possession of property to which the corporation has not taken or is not taking title, or in which it has no equity;

"(2) All interest paid or accrued within the taxable year on its indebtedness, except on indebtedness incurred or continued to purchase or carry obligations or securities (other than obligations of the United States issued after September 24, 1917) the interest upon which is wholly exempt from taxation under this title as income to the taxpayer, or, in the case of a foreign corporation, the proportion of such interest which the amount of its gross income from sources within the United States bears to the amount of its gross income from all sources within and without the United States;

"(3) Taxes paid or accrued within the taxable year imposed (a) by the authority of the United States, except income, war-profits and excess-profits taxes; or (b) by the authority of any of its possessions, except the amount of income, war-profits and excess-profits taxes allowed as credit under section 238; or (c) by the authority of any State or Territory, or any country, school district, municipality, or other taxing subdivision of any State or Territory, not including those assessed against local benefits of a kind tending to increase the value of the property assessed; or (d) in the case of a domestic corporation, by the authority of any foreign country, except the amount of income, war-profits and excess-profits taxes allowed as a credit under section 238; or (e) in the case of a foreign corporation, by the authority of any foreign country (except income, war-profits and excess-profits taxes, and taxes assessed against local benefits of a kind tending to increase the value of the property assessed), upon the property or business: Provided, That in the case of obligors specified in subdivision (b) of section 221 no deduction for the payment of the tax imposed by this title or any other tax paid pursuant to the contract or provision referred to in that subdivision, shall be allowed;

"(4) Losses sustained during the taxable year and not compensated for by insurance or otherwise;

"(5) Debts ascertained to be worthless and charged off within the taxable year;

"(6) Amounts received as dividends from a corporation which is taxable under this title upon its net income, and amounts received as dividends from a personal service corporation, but of earnings or profits upon which income tax has been imposed by Act of Congress;

"(7) A reasonable allowance for the exhaustion, wear and tear of property used in the trade or business, including a reasonable allowance for obsolescence;

"(8) In the case of buildings, machinery, equipment, or other facilities constructed, erected, installed, or acquired, on or after April 6, 1917, for the production of articles contributing to the prosecution of the present war, and in the case of vessels constructed or acquired on or after such date for the transportation of articles or men contributing to the prosecution of the present war, there shall be allowed a reasonable deduction for the amortization of such part of the cost of such facilities or vessels as has been borne by the taxpayer, but not

again including any amount otherwise allowed under this title or previous Acts of Congress as a deduction in computing net income. At any time within three years after the termination of the present war the Commissioner may, and at the request of the taxpayer shall, reexamine the return, and if he then finds as a result of an appraisal or from other evidence that the deduction originally allowed was incorrect, the taxes imposed by this Title III for the year or years affected shall be redetermined and the amount of tax due upon such redetermination, if any, shall be paid upon notice and demand by the collector, or the amount of tax overpaid, if any, shall be credited or refunded to the taxpayer in accordance with the provisions of section 252. \* \* \*

“(10) In the case of insurance companies, in addition to the above: (a) The net addition required by law to be made within the taxable year to reserve funds (including in the case of assessment insurance companies, the actual deposit of sums with State or Territorial officers pursuant to law as additions to guarantee or reserve funds); and (b) the sums other than dividends paid within the taxable year on policy and annuity contracts. \* \* \*

“(12) In the case of mutual marine insurance companies, there shall be allowed, in addition to the deductions allowed in paragraphs (1) to (10), inclusive, amounts repaid to policyholders on account of premiums previously paid by them, and interest paid upon such amounts between the ascertainment and the payment thereof:

“(13) If the case of mutual insurance companies (other than mutual life or mutual marine insurance companies) requiring their members to make premium deposits to provide for losses and expenses, there shall be allowed, in addition to the deductions allowed in paragraphs (1) to (10), inclusive (unless otherwise allowed under such paragraphs), the amount of premium deposits retained for the payment of losses, expenses, and reinsurance reserves;

“(14) (a) At the time of filing return for the taxable year 1918 a taxpayer may file a claim in abatement based on the fact that he has sustained a substantial loss whether or not actually realized by sale or other disposition resulting from any material reduction (not due to temporary fluctuation) of the value of the inventory for such taxable year, or from the actual payment after the close of such taxable year of rebates in pursuance of contracts entered into during such year upon sales made during such year. In such case payment of the amount of the tax covered by such claim shall not be required until the claim is decided, but the taxpayer shall accompany his claim with a bond in double the amount of the tax covered by the claim, with sureties satisfactory to the Commissioner, conditioned for the payment of any part of such tax found to be due, with interest. If any part of such claim is disallowed then the remainder of the tax due shall on notice and demand by the collector be paid by the taxpayer with interest at the rate of 1 per centum



per month from the time the tax would have been due had no such claim been filed. If it is shown to the satisfaction of the Commissioner that substantial loss has been sustained, then in computing the taxes imposed by this title and by Title III the amount of such loss shall be deducted from the net income. (b) If no such claim is filed, but it is shown to the satisfaction of the Commissioner that during the taxable year 1919, the taxpayer has sustained a substantial loss of the character above described, then the amount of such loss shall be deducted from the net income for the taxable year 1918 and the taxes imposed by this title and by Title III for such year shall be redetermined, accordingly. Any amount found to be due to the taxpayer upon the basis of such redetermination shall be credited or refunded to the taxpayer in accordance with the provisions of section 252.

"(b) In the case of a foreign corporation the deductions allowed in subdivision (a), except those allowed in paragraph (2) and in clauses (a), (b), and (c) of paragraph (3), shall be allowed only if and to the extent that they are connected with income arising from a source within the United States; and the proper apportionment and allocation of the deductions with respect to source of income within and without the United States shall be determined under rules and regulations prescribed by the Commissioner with the approval of the Secretary."

Credit is allowed for the amount of interest received upon obligations of the United States and bonds issued by the War Finance Corporation, included in net income, and in the case of a domestic corporation, \$2,000. Credit is also allowed to a domestic corporation to the amount of any income, war-profits or excess-profits taxes paid during the taxable year to any foreign country upon income derived from sources therein, or to any possession of the United States.

Returns must be made by March 15 covering the preceding calendar year, or by the 15th day of the third month following the close of the fiscal year; and the tax shall be paid in four instalments; the first at the time fixed for filing the return, the second on the 15th day of the third month, the third on the 15th day of the sixth month and the fourth on the 15th day of the ninth month after the time fixed by law for filing the return. The tax may be paid in a single payment if desired, at or before the time fixed for filing return. Returns shall be made to the collector of the district in which is located the principal place of business or principal officer or agency in the United States. Heavy penalties are provided for failure to make return or to pay tax.

Corporations may be required to make statements of their payments of dividends to stockholders and are required to report payments of \$1,000 or more in any taxable year made to other parties.

**WAR-PROFITS AND EXCESS-PROFITS TAXES**—A tax is levied of 20 per cent of the amount of the net income in excess of the excess-profits under section 312 (a specific exemption of \$3,000 plus an amount

equal to 8 per cent of the invested capital for the taxable year; but a foreign company is not entitled to the \$3,000 specific exemption), and not in excess of 20 per cent of the invested capital, and of 40 per cent of the amount of net income in excess of 20 per cent on invested capital.

Any corporation whose net income for the taxable year is less than \$3,000 is exempt from this tax.

The act prescribes the method of calculating pre-war profits and the calculation of invested capital, etc.

**SUNDRY TAXES**—The Revenue Act of 1918 imposes taxes upon transportation of property, freight and express and of persons; taxes upon telephone, telegraph and radio messages costing 15 cents or more, and various stamp taxes on surety bonds, parcel post, baggage, stock, transfers, certain drafts or checks, custom house entries, proxies, powers of attorney, etc.

**CAPITAL STOCK TAX**—Dating from July 1, 1918, a special tax on domestic corporations, including insurance companies, is required to be paid annually, amounting to one dollar for each one thousand dollars of capital stock, surplus and undivided profits. Statements must be filed in July with the Collector of Internal Revenue. In the case of insurance companies such deposits and reserve funds as they are required by law or contract to maintain or hold for the protection of or payment to or apportionment among policyholders shall not be included. The amount of such annual tax shall, in all cases, be computed on the basis of the fair average value of the capital stock the preceding year, ending June 30. An exemption of \$5,000 shall be allowed from the capital stock as defined (which includes the surplus and undivided profits). Foreign companies pay one dollar for each one thousand dollars of the average amount of capital employed in the transaction of its business in the United States during the preceding year ending June 30, and foreign insurance companies are entitled to deduct deposits and reserve funds as above specified.

**PREMIUM TAX**—Under the Revenue Act of 1918 there is levied a tax of one cent on each dollar or fractional part thereof of premium charged under each policy of insurance or other instrument, by whatever name the same is called, whereby insurance is made or renewed upon property of any description (including rents or profits), whether because of peril by sea or inland waters, or by fire or lightning, or other perils (reinsurances are exempt). Every person issuing policies of insurance taxable as above must make monthly returns in duplicate, and pay the tax mentioned to the Collector of Internal Revenue of the district in which the principal office or place of business of such person is located.

**REGULATIONS**—Every company not specifically exempted must make the return required, whether it has net income liable to tax or not. The law related to the total net income on American companies, and to the United States business of foreign companies. Blanks may be obtained from collectors of United States Internal Revenue, and failure to receive

a blank will not excuse a company from making the required return nor relieve it from penalties for not making such return. New companies and those going into liquidation must make the returns.

The Treasury Department of the United States Government has announced its interpretation of the Federal Income Tax Law upon certain points in relation to the taxation of insurance companies. Regulation 45 of the Treasury Department states that "by a special provision insurance companies are entitled to deduct in addition to all other deductions the net addition required by law to be made within the taxable year to reserve funds. This is considered to mean the net addition required by the specific statutes of the States within which the taxpayer transacts business. A requirement by a State insurance commissioner that a net addition shall be made to certain amounts retained to meet specified liabilities is not a net addition required by law to be made to reserve funds within the meaning of this statute. Only reserves commonly recognized as reserve funds in insurance accounting are to be taken into consideration in computing the net addition to reserve funds required by law. In the case of a fire insurance company the only reserve fund commonly recognized is the "unearned-premium" fund. The net addition to the fund maintained to pay incurred losses is not a legal deduction from gross income. \* \* \* An assessment insurance company is entitled to deduct from gross income the increase in the amount which it is required by law to keep on deposit with State insurance departments as a protection to policyholders. Mutual hail and mutual hail and cyclone insurance companies are entitled to deduct from gross income the net addition, which they are required to make under the laws of the addition in which they operate to the 'guaranty surplus' fund or similar fund."

Taxes paid by insurance companies on the value of their stock outstanding and in the hands of stockholders are not deductible.

In 1918 it was ruled that the reserves carried by companies to provide for taxes due and payable during the year will not be treated as taxes actually paid.

A decision (in 1915) of the United States Court of Appeals was to the effect that no revenue tax can be collected on funds reserved to meet losses.

### CALENDAR—UNITED STATES

On or before

\*March 15 Income tax statement must be filed.

March, June, Sept. and  
Income tax is payable (one-fourth on each date).

Dec. 15

July 31 Capital stock tax statement must be filed.  
Capital stock tax is payable.

Each mth, 15 Premium statement must be filed.  
Premium tax is payable.

\* Or sixty days after close of fiscal year. May be changed by Revenue Law of 1918.

# ADDENDA

## GEORGIA

**REINSURANCE**—On page 126 it is stated that there is no prohibition of reinsurance in unlicensed companies. The publishers later received a telegram from the insurance commissioner of Georgia, stating that the licensed companies "must reinsure excessive fire lines in Georgia licensed companies" A ruling is made under section 113, over Act of 1912, which gives commissioner right to prescribe additional rules and regulations.

## KANSAS

### *Municipal Taxes and Fees*

**BAXTER SPRINGS**—For each company, \$5.25, payable January 1.

**BUCKLIN**—For each agent or firm, \$10, payable May 1.

**CHANUTE**—None.

**COFFEYVILLE**—For each company, \$20, payable January 1.

**COLUMBUS**—For each agent, \$5, payable January 1.

**COUNCIL GROVE**—For each company, \$2.50, payable December 31.

**EUREKA**—For each company, \$3.

**GAS**—For each agent, \$5, payable quarterly.

**HORTON**—For each company, \$10, payable January 1.

**McPHERSON**—None.

**OLATHE**—For each company, \$5, payable semi-annually, January 1 and July 1.

**OSAWATOMIE**—For each company, \$5, payable each 6 months.

**OTTAWA**—For each company, \$10, payable semi-annually, January 1 and July 1.

**PITTSBURG**—For each agent, \$20, payable January 1.

**ROSEDALE**—For each agent, \$12, payable January 1 or July 1.

**WICHITA**—For each agency of each company, \$50 per annum, payable \$25 February 1 and \$25 August 1.

## LOUISIANA

**TAXES**—Act number 233 of 1920 altered the license tax law so as to increase the taxes based on premiums twenty per cent over what they had previously been. (See page 205.) Act 233, section 12, provides "That each and every fire, marine and river insurance guarantee, surety or indemnity company, society, association, corporation or other organization or firm or individual doing and conducting a fire, marine or river insurance guarantee, surety or indemnity business of any kind, in this state, or any other insurance business not otherwise provided for, whether such company, society, association, corporation or other organization or firm or individual is located or domiciled here or operating here through a branch department, resident board, local office, firm, company, corporation or agency of any kind whatsoever shall pay a separate and distinct license

on said business, for each company represented, and said license shall be based on the gross annual amount of premiums on all risks located within this state, and upon risks located in other states or foreign countries, upon which no license has been paid therein, and shall be fixed and graded as follows, to-wit: First class—when said premiums are \$300,000, the license shall be \$5,400; 2d class—premiums \$280,000 and less than \$300,000, license shall be \$5,040; 3d class—premiums \$270,000 and less than \$280,000, license \$4,860; 4th class—premiums \$260,000 and less than \$270,000, license \$4,680; 5th class—premiums \$250,000 and less than \$260,000, license \$4,500; 6th class—premiums \$240,000 and less than \$250,000, license \$4,320; 7th class—premiums \$230,000 and less than \$240,000, license \$4,140; 8th class—premiums \$220,000 and less than \$230,000, license \$3,960; 9th class—premiums \$210,000 and less than \$220,000, license \$3,780; 10th class—premiums \$200,000 and less than \$210,000, license \$3,600; 11th class—premiums \$190,000 and less than \$200,000, license \$3,420; 12th class—premiums \$180,000 and less than \$190,000, license \$3,240; 13th class—premiums \$170,000 and less than \$180,000, license \$3,060; 14th class—premiums \$160,000 and less than \$170,000, license \$2,880; 15th class—premiums \$150,000 and less than \$160,000, license \$2,700; 16th class—premiums \$140,000 and less than \$150,000, license \$2,520; 17th class—premiums \$130,000 and less than \$140,000, license \$2,340; 18th class—premiums \$120,000 and less than \$130,000, license \$2,160; 19th class—premiums \$110,000 and less than \$120,000, license \$1,980; 20th class—premiums \$100,000 and less than \$110,000, license \$1,800; 21st class—premiums \$90,000 and less than \$100,000, license \$1,620; 22d class—premiums \$80,000, and less than \$90,000, license \$1,440; 23d class—premiums \$70,000 and less than \$80,000, license \$1,260; 24th class—premiums \$60,000 and less than \$70,000, license \$1,080; 25th class—premiums \$50,000 and less than \$60,000, license \$900; 26th class—premiums \$40,000 and less than \$50,000, license \$720; 27th class—premiums \$30,000 and less than \$40,000, license \$540; 28th class—premiums \$20,000 and less than \$30,000, license \$360; 29th class—premiums \$15,000 and less than \$20,000, license \$270; 30th class—premiums \$15,000 or less, license \$180.

#### NORTH CAROLINA

**FEES**—On page 385, the license fee for each local or canvassing agent should be \$3, instead of \$1.









